THE ROAD TO WAR

FOREIGN AFFAIRS

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AMERICA AND THE WORLD 1990/91

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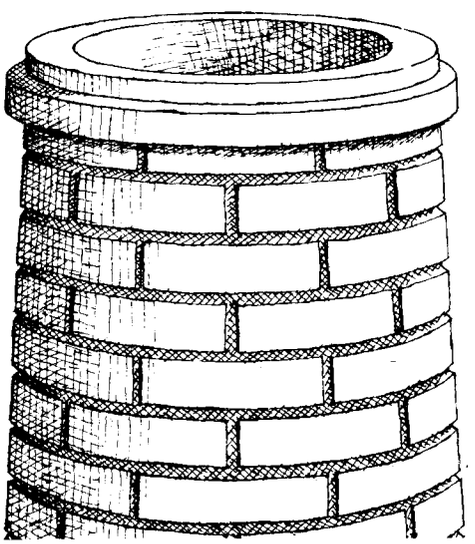

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THE ROAD TO WAR

Never before in American history was there a period quite like it. For 48 days the United States moved inexorably toward war, acting on authority granted by an international organization.

On November 29, 1990, in an unprecedented step, the United Nations Security Council authorized the use after January 15, 1991, of "all necessary means" to achieve the withdrawal of Iraqi forces from the territory of Kuwait. On January 12 the Congress of the United States authorized President Bush to use American armed forces to implement that resolution. This too was unprecedented.

By then the United States found itself only days away from war with Iraq. How had it arrived at such a pass? Again and again this question was asked, in congressional debate and among the American people.

II

The August 2 invasion came as a shock. Almost until its very eve, Washington had assumed that Saddam Hussein was either bluffing in his threats against Kuwait or would only mount a limited incursion. The fact that Saddam not only invaded the entire country but then quickly annexed it accounts in large part for the increasingly outraged American reaction. The United States was concerned that Saddam's next target would be Saudi Arabia; this was also the fear of the Saudi rulers themselves. Hence, in the very first days of the crisis, the United States made a major commitment of its power and secured strong international support for its demand that Iraq withdraw unconditionally and immediately.

The Bush administration argued that the crisis was a "defining moment," that it was a political test of the embryonic post-Cold War world order. Aggression had to be resisted and reversed. Moreover no power could be permitted to dominate an area that contained resources so vital to the well-being of the international community. Finally it was argued that only an overwhelming show of force and international solidarity would persuade Saddam to give up his gains. Thus the Security Council not only demanded Iraqi withdrawal, it imposed mandatory economic sanctions on Iraq. American troops began to arrive in Saudi Arabia by August 7.

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In retrospect this period created a strong but erroneous expectation: that the U.N. objectives could be obtained peacefully, that Saddam would back down since, as the experts agreed, he was a "survivor," not a martyr. From the outset there was a built-in tension between the strategy of relying on sanctions, which implied long-term attrition, and the desire to achieve an early but peaceful solution. The terms set by the U.N. coalition were for unconditional withdrawal, which left little room for negotiating flexibility. In the minds of many world leaders, therefore, proposals for a settlement came to be more and more equated with compromise, not on Kuwait but on circumstances that would be created after an Iraqi withdrawal. Among the concessions suggested were linkage with the Arab-Israeli dispute, a guarantee of an international Middle East peace conference and a promise of post-withdrawal negotiations between Kuwait and Iraq. There was even speculation over the acceptability of a partial Iraqi withdrawal. A troublesome question is whether in this phase Saddam was persuaded that the coalition would not proceed beyond economic sanctions but would, in time, offer a major compromise.

In the United States the debate took a different turn. Some argued that the crisis was by no means a "defining moment" but a unique event in a special area: its outcome would only marginally affect the post-Cold War order; Saddam was a creature of the turbulent Persian Gulf and would not have imitators in other areas of the world—and that therefore an early outcome was not mandatory. On the other hand, other Americans argued with growing vehemence that it would not be enough to remove Saddam's forces from Kuwait; his regime and its war-making power would have to be destroyed as well, lest he acquire a nuclear capability. Within the administration it came to be argued that a negotiated outcome was unlikely; that more direct pressures would be required.

On November 8 President Bush announced a substantial increase of U.S. troops in the region in order to ensure that the coalition had an "adequate offensive military option." In effect Washington was passing from a policy of containment to one of forcible liberation.

III

The president's new strategy required reestablishing domestic consensus as well as international support. The support of

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world leaders proved less difficult to garner than that of the United States Congress.

It was not clear that the great powers, particularly the Soviet Union and China, which had supported the defensive strategy and imposition of economic sanctions, were ready to proceed to a more aggressive strategy. Mikhail Gorbachev especially seemed reluctant to turn up the pressure, holding out some hope for a negotiated solution. China abstained on the final Security Council vote to authorize force; had Beijing voted against the resolution, it would not have passed. On the day following the vote the Chinese foreign minister met with President Bush for the first time since the Tiananmen Square crisis. Obviously, maintaining the coalition was exacting a price. This was later evident in the restrained reaction to the Soviet crackdown in Lithuania.

The change of strategy of November 8 provoked a sharp response in the United States. A strong segment of congressional opinion held that the strategy of sanctions had not been given a fair chance. Even if sanctions ultimately were proved insufficient, it was argued, Iraq's forces would have been significantly weakened by the embargo. Prominent political figures, statesmen and warriors of yesteryear testified that time was on the side of the United States. The counterargument was that an American reluctance to use force, or to press the confrontation to a showdown, would cause the international coalition to disintegrate and that some coalition members, especially the Arab countries or the U.S.S.R., might seek a separate peace.

It was this political tension that led the Bush administration to announce on November 30 its willingness to hold talks with Iraq. The domestic debate cooled, but the offer to talk provoked fears that Washington would be vulnerable to endless negotiating gambits. These fears turned out to be groundless, however, for to the surprise of many Iraq remained unwilling to exploit the obvious diplomatic openings, offered mainly by the Europeans. Saddam's intransigence on these political opportunities is still puzzling.

The administration had worked itself into an awkward position. It had effectively abandoned the middle course, staying with the sanctions, by adopting a deadline. It could not retreat without suffering major political losses; it had to adopt a policy of "no negotiations and no concessions." When direct Iraqi-U.S. talks finally took place on January 9, Secretary

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James A. Baker had, in effect, no cards left to play. Once again Baghdad made no effort to exploit the increasing anxiety over war. Even a gesture might have had a major effect on the U.S. congressional debate that followed immediately.

The administration chose the course of threatening war on the rationale that it would be the stance most likely to bring about a peaceful withdrawal. But in doing so, it had to confront Congress, not at all united or certain that the course of war was the best strategy toward an agreed goal. President Bush finally obtained congressional authorization, but the debate and the vote itself foreshadowed troubles to come: profound resentment was expressed against America's allies, especially Germany and Japan, and not since 1812 had so strong a vote against authorizing hostilities been cast in Congress.

George Bush did not blunder into war. At each juncture over a six-month period he weighed his options and made his choices. The president had to maintain an unprecedented and fragile international coalition, retain domestic support for a course that might end in war, and bring increasing pressure to bear against an opponent whose very rationality was open to question. The president and his advisers were haunted by lessons learned from the 1930s; they feared Munich more than Vietnam. At the very end the president voiced the same argument that had been implicit since the outset: that the best chance for peace was to threaten war. As of 11:59 p.m. Eastern Standard Time on January 15, that strategy had failed. The next day the war against Iraq began.

Perhaps historians will not remember 1990 only as the year of the gulf crisis. For Germans it was the year of unification. For the British it was the end of more than a decade of Thatcherism. In South Africa Nelson Mandela was released. In Poland Lech Wałęsa was elected president. Democratic governments began to take hold in eastern Europe, while in the Soviet Union there was an ominous intensification of crisis.

1990 was indeed a "defining moment," but the shape of the post-Cold War order was far more uncertain at the end of the year than it had seemed at the beginning.

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Michael Mandelbaum

THE BUSH FOREIGN POLICY

In 1989 the greatest geopolitical windfall in the history of American foreign policy fell into George Bush's lap. In a mere six months the communist regimes of eastern Europe collapsed, giving the West a sudden, sweeping and entirely unexpected victory in its great global conflict against the Soviet Union. Between July and December of 1989 Poland, Hungary, East Germany, Czechoslovakia, Bulgaria and Romania ousted communist leaders. Their new governments each proclaimed a commitment to democratic politics and market economics, and the withdrawal of Soviet troops from Europe began. All this happened without the West firing a single shot.

The revolutions in eastern Europe ended the Cold War by sweeping away the basic cause of the conflict between the two great global rivals: the Soviet European empire. They did so on George Bush's watch, a term that seems quite appropriate. As the revolutions occurred, he and his associates were more spectators than participants—a bit confused, generally approving, but above all passive. The president kept the United States in the background. In response to the most important international events of the second half of the twentieth century, the White House offered no soaring rhetoric, no grand gestures, no bold new programs. This approach served America's interests well. Events were moving in a favorable direction; staying in the background, taking care not to insert the United States into the middle of things, was the proper course of action. The qualities most characteristic of the Bush presidency—caution, modest public pronouncements and a fondness for private communications—were admirably suited to the moment.

The end of communism in Europe need not have proceeded so smoothly. There were pitfalls and blind alleys, alternative policies that had serious advocates. The Bush administration

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steered clear of them all. In so doing, it steered the United States into a new world.

But with the end of the Cold War the familiar guideposts of American foreign policy have disappeared. The revolutions in eastern Europe, taken cumulatively, were a revolution in international politics, and they have had a revolutionary impact on America's relations with the rest of the world. There will be greater discontinuity in foreign policy between the first and second halves of the Bush presidency than between any two administrations in the postwar period.

The post-Cold War international agenda is beginning to take shape. It is not likely to be dominated by military confrontations between great nuclear powers, or even by crises like the one in the Persian Gulf. Instead, economic issues will predominate, particularly as formerly communist Europe and countries in other regions move toward market institutions and practices. For these challenges President Bush's style of leadership seems less appropriate. The attributes he lacks—the capacity to define clearly American interests abroad and the policies necessary to pursue them, a mastery of the intricacies of economic affairs, and a determination to redress the chronic imbalances of the American economy—may well be the qualities required for effective leadership in the post-Cold War era.

II

The end of the Cold War took place in two stages. In the last half of 1989, the communist governments of eastern Europe fell; in the first half of 1990, the fate of Germany was decided. In both stages, plausible alternatives existed to the approaches adopted by the Bush administration; at each stage, the administration chose the proper policy.

The president could have done what many wanted him to do: exult in the West's triumph. He could have celebrated victory more publicly, more frequently and more emphatically. Doing so, however, would have jeopardized the necessary condition for the revolutions of 1989: Moscow's willingness to tolerate them.

There was no doubt more than one reason that the Soviet leaders decided not to stop the process of political change in eastern Europe in 1989, as their predecessors had done in Hungary in 1956, in Czechoslovakia in 1968 and, indirectly, in Poland in 1981. Mikhail Gorbachev and his colleagues were

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aware of the weakness of their country's international position. They were preoccupied with internal affairs, especially deteriorating economic conditions and the rising rebelliousness of the non-Russians. Whether or not they recognized that they could end their conflict with the West only by relinquishing eastern Europe, they were plainly convinced that they could give up the empire that Stalin had acquired without putting Soviet security in mortal jeopardy.

That conviction might have wavered had the West ostentatiously celebrated the retreat of Soviet power. By what it refrained from doing publicly, as much as by whatever private messages it may have conveyed to Moscow, the Bush administration avoided embarrassing, threatening or otherwise provoking the Soviets. This was the most important contribution to the events of 1989 that the United States was in a position to make.

The administration might also have followed the opposite policy. It could have made common cause with the Soviet Union to try to control the process of change in eastern Europe. Secretary of State James A. Baker was reported in March 1989 to be favorably disposed to discussing that subject with Moscow.[1] The idea was far from absurd. When communist governments in eastern Europe were challenged in the past, the Soviet Union intervened to keep them in power, bringing bloodshed and repression and poisoning relations with the West. There was every reason in 1989 to try to avoid a similar sequence of events.

The Bush administration acted wisely in not making the political future of eastern Europe the subject of Soviet-American negotiations. Such negotiations would have severely damaged relations with the Europeans themselves, both east and west, who objected to what they termed a "second Yalta"—the two great powers deciding Europe's fate without European participation. Negotiations, as it turned out, were unnecessary. The Soviet Union did not intervene. The Bush administration correctly calculated that the interest of the United States lay in allowing the authentic, peaceful, democratic revolutions to run their course. Washington encouraged this process by reassuring Moscow that the course of events did not jeopardize legitimate Soviet interests. This middle course with the Soviet

[1] Thomas Friedman, *The New York Times*, March 28, 1989.

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Union, between collaboration and confrontation, was an important and underappreciated achievement of American foreign policy. If one of the tests of each presidency after 1945 has been the capacity to manage crises, the president deserves high marks for his policies during the six eventful months that may be seen in retrospect as the final crisis of the Cold War.

No sooner had the last east European revolution been completed—in Romania—than Europe and the two great nuclear powers had to confront the issue of German unity. The march toward the merger of the two Germanys—or, rather, toward the collapse of East Germany and its takeover by the West—was not initially intended by any government, including Bonn. It was the product of the spontaneous initiative of hundreds of thousands of East Germans. By moving to the West in large numbers, even after the opening of the inner-German border, they voted with their feet against the continued existence of a separate state. They also voted for the end of East Germany in March 1990 in a more familiar way: the first free elections ever held in the G.D.R. yielded a resounding majority in favor of rapid unification.

In light of the four decades of peace that a divided Europe had enjoyed and the havoc that Germany had wrought when it had been powerful and independent, it was hardly surprising that German unity was not universally welcomed. British Prime Minister Margaret Thatcher and French President François Mitterrand each indicated that they were not happy at the prospect. Commentators in the United States were not wholeheartedly enthusiastic either, and for the same reasons: the Germans could not be trusted; or, even if they could be, discarding the security arrangements that had served so well for so long was unacceptably risky. Had Washington also shared and acted on these reservations, it could have slowed and perhaps even blocked German unification. The United States—as well as Britain and France—would have in effect declared that, while every other nation in Europe, and all peoples elsewhere, were entitled to choose their own political arrangements, the Germans were not. Such a declaration would have stirred the same kind of resentment at unequal treatment that Hitler exploited in the 1930s in order to win power and launch his ruinous policies. Although it would not have pushed Europe into war, it would have discredited in the eyes of Germans the important roles the Federal Republic

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played in the postwar period—in NATO, in the European Community and in other international organizations.

The Bush administration declined to place obstacles in the path of German unity. Without American support no other country, or combination of countries, could have hoped to block German unification. But Washington was no more prescient than any other capital about the pace of events in Germany. It was motivated in part by a short-term concern that a fight over unification between West Germany and its allies would bring to power Germany's Social Democrats, who might adopt a dangerously neutralist foreign policy. Support for Chancellor Helmut Kohl was nonetheless consistent with the proper long-term American approach to the German Question: that is, support for the right of Germans to decide their own fate, combined with efforts to create conditions in which the German decision, especially if in favor of unity, would not make others, or Germans themselves, feel insecure.

The key to maintaining a secure Europe was to keep the newly united Germany firmly anchored in an American-led security community. The Bush administration waged a successful diplomatic campaign on this issue within the framework of the "two plus four" negotiations. These talks involved the two Germanys plus Britain, France, the Soviet Union and the United States—the four powers whose victory in World War II gave them special prerogatives in Germany. In the first half of 1990 the administration used this forum to obtain Soviet acquiescence on Germany's continuing membership in NATO.

The final details of the terms of German unity were worked out without the United States, Britain or France, in the summer of 1990 in a meeting between Chancellor Kohl and President Gorbachev at the Soviet leader's home in Stavropol. The meeting raised the specter of Soviet-German collusion against the interests of the rest of Europe. Without reconciliation between Germany and Russia, however, there could be no end to the Cold War. Peace in Europe was impossible without an accommodation between its two largest powers. For most of the hundred years between the fall from power in 1890 of Bismarck, the original architect of German unity, and the 1990 unification of the two German states, Germany and Russia had defined their interests in Europe in ways unacceptable to each other. This ongoing Russo-German antagonism caused much of the tension, rivalry and war on the continent

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in that period. It now may be hoped that the events of 1990 have brought that era to an end.

The Soviet-German rapprochement is not dangerous to others, provided it takes place within a European security framework that includes a continuing American presence. It is just such a framework that the Bush administration was instrumental in designing, and is apparently committed to maintaining.

III

Just as America, the Soviet Union and the European nations were beginning the task of constructing a new post-Cold War Europe, Saddam Hussein interrupted them. His invasion, occupation and declared annexation of Kuwait—and the American response—dominated U.S. foreign policy in the latter half of George Bush's second year as president.

President Bush dispatched to the Middle East the largest expeditionary force since the Vietnam War and organized an impressively wide coalition against Iraq. The American intervention in the gulf, whatever its outcome, will exert a major influence on future American policy in the region. It may also prove to be the decisive event of George Bush's presidency. Success could assure his reelection and strengthen his hand at home and abroad; failure could have the opposite effects. Even a limited victory for Saddam Hussein would increase the power of forces opposed to the United States and its friends, and have adverse and perhaps disastrous consequences for the entire Middle East.

The gulf crisis is not, however, a preview of international politics beyond the Cold War. It is an important development, to be sure, that cannot help but influence American foreign policy in years to come. But it is not the seminal event from which America's new international role will emerge.

The Iraqi invasion demonstrated that some features of the Cold War persist, even in the absence of the Soviet-American rivalry. There are still dangerous people abroad who have the power to jeopardize Western interests. It also demonstrated that when those interests must be defended by force the principal responsibility continues to rest with the West's leading military power, the United States. The gulf crisis also illustrates the changes that the end of the Cold War has produced in international politics. The United States and the Soviet Union find themselves on the same side of the conflict.

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In part because of this harmony, it proved possible to assemble an international coalition of unprecedented breadth to oppose Saddam Hussein.

Soviet-American cooperation also made possible a prominent role in the gulf crisis for the United Nations, whose machinery, especially the Security Council, had for most of its history been paralyzed by the great schism between its two strongest members.

Most important of all, the end of the Cold War and the newfound solidarity between Washington and Moscow allowed the United States to undertake military operations on a large scale in the Middle East, without the fear of triggering a larger conflict with the Soviet Union and uncontrolled escalation to World War III. This was an enormous military advantage for the United States.

The gulf crisis, however, does not offer a reliable guide to the post-Cold War world. The United States sent forces to the Middle East for two reasons: to support the principle that stronger powers must not swallow up weaker neighbors; and to prevent a large fraction of the world's oil reserves from coming under the control of a brutal, aggressive and unpredictable tyrant. The principle of sovereign independence is important. Where it is challenged in the years ahead the United States will surely support beleaguered small states—but not by sending 400,000 troops to liberate them. Oil is a uniquely valuable resource, one that makes the Persian Gulf the only part of the Third World where Western interests are sizable enough to justify a large war.

In the minds of American policymakers, the various conflicts of the Cold War were all connected. The Greek civil war, the Korean War, the Vietnam War and others were seen as part of a global struggle against communism. Each was consequential not only for what was directly at stake, but for its effect on the Western position in other parts of the world. The confrontation with Iraq, by contrast, is not connected to anything beyond the Middle East. Important as the Middle East is to the United States and the rest of the West, it does not provide the basis for a global foreign policy, as did the conflict with the Soviet Union.

During the Cold War, wars and conflicts outside Europe derived their importance for the United States from their connection to the Soviet Union. With the end of the Cold War, they will be far less consequential for American foreign policy.

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The Persian Gulf excepted, the United States is considerably less likely to dispatch forces abroad in the post-Cold War era. In this sense the gulf crisis belongs to the past, not the future, of American foreign policy.

There is still a military role for the United States to play, but the regions where American forces will remain useful are those where they were concentrated during the conflict with the Soviet Union: Europe and East Asia. Their mission, however, will be different from those they have become accustomed to carrying out.

IV

Deterrence of the Soviet Union has ceased to be the all-consuming international concern of the United States. Moscow is withdrawing its troops from Europe, and drawing down its forces in East Asia as well. Equally important, the sources of an expansive Soviet foreign policy—the commitment to the principles of Marxism-Leninism and the determination to spread them abroad—have all but disappeared.

The end of the Cold War, however, does not bring an end to the system of relations among sovereign states in which threats can arise. The difference is that, henceforth, the dangers to the security of America's friends in Europe and Asia are likely to be more distant and nebulous than the sharply defined threat the Soviet Union was seen to pose over the last four decades. Dangers could still arise, and there is still a role for the United States to play in dealing with them. West Europeans will continue to share a continent with a Soviet Union that, whatever form it ultimately takes, will be both large and heavily armed. Europe will need to counterbalance that military power; perpetuating the American commitment is the best way to do so.

The newly united Germany in particular will need some form of protection. German-Soviet relations are now cordial. But Soviet military force, particularly Soviet nuclear weapons, give Moscow considerable potential for leverage over Germany should new disputes arise between them. Without some form of protection, Germans will be vulnerable to Soviet pressure. A Germany without a security tie to the United States might well feel the need to strengthen its own armaments, perhaps even with nuclear weapons. A German nuclear arsenal would not arise from aggressive impulses. Rather, it would be a prudent, defensive response to a new set of

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geopolitical conditions. But however benign its motives, a Germany armed with nuclear weapons would create uncertainty, alarm and instability in Europe. Perpetuating the American commitment to western Europe is a hedge against this undesirable and potentially dangerous sequence of events. This is why the Bush administration's determination to maintain the basic structure of NATO is well advised.

Such a commitment would be designed not so much to deter an immediate threat from the Soviet Union as to reassure all of Europe—including Germany and the Soviet Union—that it need not fear a power vacuum. Such a vacuum might compel European nations to recalculate their military requirements, perhaps in ways others would consider as threatening.[2]

In East Asia, as in Europe, the Soviet threat to America's principal ally, Japan, has diminished considerably. Yet the American military presence there remains useful for the same reason. If the United States were to withdraw completely from the region, Japan, like Germany, might feel the need to adopt a more independent military role, including the acquisition of a nuclear arsenal. A nuclear-armed Japan would likewise alarm neighboring countries. In the post-Cold War era, American military forces in East Asia, as in Europe, can serve as a buffer among countries that, while no longer avowed adversaries, continue to be suspicious of one another and might conduct more aggressive foreign policies without a reassuring American presence.

Providing reassurance will require America's continued military cooperation with other countries, which may prove difficult. The United States may not retain all the overseas military facilities and basing rights of the Cold War. The American presence in the Philippines, for example, is already contracting; the United States has agreed to withdraw its fighter aircraft from Clark Air Force Base. Similarly, although the German government will welcome the continuation of an American security guarantee, the German people may be increasingly reluctant to play host to American forces, especially American nuclear weapons. If the political difficulties of deploying armed forces abroad will multiply in the wake of the Cold War, however, the forces that the United States will need to deploy will be more modest. The military requirements of

[2] On the distinction between deterrence and reassurance see Michael Howard, "Reassurance and Deterrence: Western Defense in the 1980s," *Foreign Affairs*, Winter 1982/83.

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reassurance in Europe and Asia will surely be less demanding than those of deterrence.

The greatest difficulty in sustaining a policy of reassurance, ironically, may lie in winning support for it in the United States. The forty-year rationale for stationing American troops abroad is gone. The Cold War provided a succession of American presidents with a powerful justification for stationing troops overseas and occasionally sending them into battle. The simple, compelling purpose of the nation's global military deployments was to check the Soviet Union. To the American public, the new purpose—reassurance—is liable to seem vague, implausible, the product of tortured logic, or simply not worth the risk.

In the absence of a Soviet threat the Bush administration floundered in finding a public justification for its military buildup in the Persian Gulf. This president and his successors may well encounter comparable difficulties in persuading the public to continue to support an American military presence overseas. The same question that was raised about troops in the gulf is likely to be directed at the continuing American deployments in Europe and Asia: Why are they there?

To answer that question, and to rally public support for a continuing American military presence abroad, what is needed is what this administration notably lacks: vision—the capacity to paint a vivid, convincing picture of the new world and America's interests in it. Vision requires the ability to communicate not only privately to other leaders, but publicly to the American people. If this president and his successors are able to present the appropriate vision, if they are able to make a persuasive case for keeping enough forces in Europe and Asia to reassure the countries of both regions, then political and military disputes of the kind that dominated the Cold War era are likely to recede. For with the end of the Soviet-American rivalry and the retreat of Soviet power, the basis for many, though by no means all, of these conflicts has vanished. And as security issues lose some of their previous significance, economic questions will assume a new international importance, particularly those that have arisen out of the end of the Cold War.

V

The Cold War ended in victory for the West. It was a victory not so much of Western arms, although they were certainly

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important in checking Soviet expansion in Europe. It was, rather, a victory of Western ideas, Western political institutions and, above all, Western economic practices. All three are now ascendant throughout the world. The rejection of socialist economic practices and the adoption, at least in principle, of market forms of economic organization is perhaps the broadest and most important ongoing global trend at the outset of the 1990s. It is a development that is bound to affect America's relations with the rest of the world.

The trend is most dramatically evident in the former communist countries of Europe. Having deposed their old-guard communist leaders, all of the east European nations now intend to embark on transitions from centrally planned to market economies. They have announced that they will eventually eliminate the cumbersome planning apparatus that dictated targets for production, gradually allow prices to be set by supply and demand, restore the right to own private property, and sell state-owned enterprises as quickly as possible to private owners, including foreigners. Some east European countries, notably Poland, have already begun this process. In the Soviet Union, too, the transition to a market economy is high on the political agenda, although the commitment there is more equivocal, and the steps taken so far more modest and hesitant.

The rise of the market is evident as well in communist countries outside Europe, even in those where political change has come slowly or not at all. Although the communist party still holds a monopoly of power in Vietnam, it transformed the country almost overnight from an importer to an exporter of its staple food, rice, largely by freeing agriculture from state control. The Vietnamese communists followed in the footsteps of the successful market reforms in agriculture that began a decade ago in China, which also dramatically increased its food production.

Nowhere have governments controlled economic activity as thoroughly as in communist states, but after achieving independence from colonial rule many noncommunist Third World countries practiced their own brand of socialism. They emphasized the protection of domestic industries, generous government subsidies for consumers and producers, and considerable public ownership of the industrial sector. The popularity of this milder form of socialism has also faded. In India, for example, socialism was an article of deep political

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faith for decades, but in the 1980s its leaders took tentative steps to liberalize the economy. Much of Latin America has recently turned in this direction as well, Mexico being a particularly dramatic example.

The collapse of communism in Europe is thus part of a broader trend. As the distinguished economist Robert Heilbroner has observed, "In the materially more advanced nations, 'socialism' as a distinct social objective has disappeared. Nothing is left of it but a better-run capitalism."[3] Promoting capitalism, then, is a plausible goal for American foreign policy in the post-Cold War world, especially if the impetus for it comes from foreign countries themselves. Americans have a long history of faith in free enterprise, free markets and free commerce. They have, it is true, an older, deeper attachment to political freedom. But fewer governments would welcome an American role in fostering democracy in their countries than would seek Western help in establishing market institutions and practices. China's current leaders, for example, are open to the second but opposed to the first.

Even where a people and its government are dedicated to establishing working parliaments, competitive elections and a free press, other countries can be of only limited assistance. Political institutions are, after all, built from within. Outside assistance is of course not irrelevant. Democratic structures are in place in Japan, Germany and the Philippines in no small part because the United States, having occupied those countries, helped to build them. Such an American role, however, is no longer plausible in the post-Cold War world.

Installing a market economy, by contrast, lends itself more readily to technical and economic assistance from the outside. The promotion of market practices, moreover, indirectly fosters democracy in at least two ways. First, functioning markets restrict the power of the state because, by operating independently of governing authorities, they expand the political space available to the individual. Public space independent of the state, in which citizens can organize themselves, is a necessary condition for democratic politics. This is the sense in which, as the old saying goes, "free markets make free men." Second, democratic government seems to flourish most readily in conditions of economic success. In eastern Europe,

[3] "The World After Communism," *Dissent*, Fall 1990, p. 429.

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in particular, the new democracies are fragile. Their communist predecessors were overthrown in part because they presided over economic stagnation. Democratic politics will accumulate popular support to the extent that they are identified with prosperity.

The trend in favor of market institutions and practices, although strong, is not universal. It is weak in Africa and the Arab world, and virtually nonexistent in countries such as Burma. But even where it is strong, it may not prevail. Market reforms are often painful to implement. Removing subsidies on basic commodities can trigger political unrest, as governments from Egypt to Poland have discovered to their dismay. Restructuring a country's industry along more economically rational lines inevitably throws people out of work. In a market system those with skill, initiative or just good luck prosper; others who do less well often resent the prosperity of the fortunate.

Finally, even where market reforms are initiated, the reformers will not necessarily use the United States as their model. The American economy is but one version of a market system, and not necessarily the most attractive. The formerly communist countries of Europe are likely to be drawn to the west European "social market" style of capitalism, as exemplified by the German Federal Republic, which provides more generous welfare benefits than the United States. In East Asia the great economic success stories of the 1970s and 1980s—Taiwan, Singapore and South Korea—have followed the path pioneered by Japan. This model features far closer relations between the government and the private sector, especially in the allocation of capital, than are found in the United States.[4]

The American, West European and East Asian varieties of capitalist economic organization are nonetheless closer in form to one another than any one of them is to the centrally directed economic systems of orthodox communism, or even to the milder versions of socialism that have appeared elsewhere during the last thirty years. At the end of the Cold War, in part because of the manner in which it ended, these three versions of capitalism stand as the models that much of the world now

[4] This typology is drawn from Paul Marer, "Roadblocks to Economic Transformation in Central and Eastern Europe and Some Lessons of Market Economies," in *United States-Soviet and East European Relations: Building a Congressional Cadre/Eighth Conference, August 25–31, 1990*, Dick Clark, ed., Queenstown (MD): The Aspen Institute, 1990.

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aspires to adopt. This is perhaps the greatest achievement of Western policy over the last forty years.

There is a parallel with the immediate aftermath of World War II. What the United States helped western Europe and Japan to do in the late 1940s, much of the rest of the world is seeking to do at the beginning of the 1990s. There are, to be sure, important differences between these two periods. The task of economic construction is today more complicated. World War II left the nations of western Europe with ruined farms and factories, but also with long experience with functioning market economies. West Europeans had the skills necessary to operate such an economic system. They needed capital, which the United States supplied. In formerly communist Europe, by contrast, almost no one has any experience in buying, selling, investing and producing in conditions of economic competition. The citizens of these countries must start virtually from scratch to learn the techniques of modern economic activity. They must also build the relevant institutions; none has a private sector in manufacturing or services, a financial system or a labor market. All this requires technical, but not necessarily economic, assistance from richer countries.

Eastern Europe, the Soviet Union and much of the Third World are not yet in a position to benefit from Western capital. They must first create economies that can make productive use of it. The Bush administration is thus not under immediate pressure to undertake a policy that it would, in any event, have great difficulty in launching: a program of large-scale economic assistance to countries adopting liberal economic practices.

There is another important difference between 1990 and 1947. Then, only the United States could offer support to struggling democracies. Now, there is a thriving community of capitalist democracies, encompassing western Europe and Japan, which can share the task of promoting market systems the world over. The United States need not, and indeed should not, be the sole source of support. Here, too, President Bush's inclinations are in harmony with international conditions. The Bush administration is happy to deal with reform-minded economies on a multilateral basis, working through international organizations such as the International Monetary Fund and even the European Community, of which the United States is not a member.

There is, however, one important feature common to the

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period of the Marshall Plan and the present, to which the Bush administration's response is not encouraging. To create successful market economies, the countries of eastern Europe and the Third World will need in the future what the countries of western Europe enjoyed in the past: a hospitable international economic environment. Once in place, market institutions in these countries will need access to capital. This is a particularly complicated problem for those nations with large external debts. They will need more extensive debt relief—indeed, debt forgiveness—than they have thus far received. Even with their debt burdens lightened, they will be affected by the price of capital. The lower world interest rates are, the greater the chances for economic success.

These nations will also need access to markets in order to sell what they produce for hard currency—the lifeblood of any healthy economy. In the first year of the post-Cold War era, world interest rates were uncomfortably high. The trend in the international trading system, especially among the advanced industrial countries to which the new practitioners of market economics will look for export opportunities, was at best uncertain. The Uruguay Round failed to move that system decisively toward greater openness. The reasons for these trends are varied and are hardly the result exclusively of American policies—the Europeans are the chief culprits on trade. Over the last ten years, however, the American contribution to the worldwide cost of capital and the status of global markets has not been constructive. Its fiscal imbalances have had quite harmful effects.

At the end of World War II, the United States took the lead in launching international economic initiatives, beginning with the establishment of the International Monetary Fund, the General Agreement on Tariffs and Trade, and the Marshall Plan. West Europeans benefited not only from American generosity, but from American leadership. In keeping with that tradition, America has initiated recent international efforts to lighten the burden of the world's principal debtors and to lower barriers to trade: the Brady Plan and the GATT's Uruguay Round.

But deficits reduce America's capacity to lead. They limit its scope for reducing the debt held by its own banks and for increasing imports from other countries. This, in turn, diminishes American leverage with western Europe and Japan to help solve the debt problem and expand trade. Not only is the

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United States historically the leader of the international economic system, it is also its biggest member. Its policies have a considerable effect on the system, apart from any efforts it may make to guide others in a particular direction. America's reduced capacity to lead, due to the fiscal imbalances of the 1980s, has obstructed the creation of international conditions favorable to the flourishing of market economies around the world.

The United States has also pushed up the cost of capital by running large, chronic budget deficits and financing them by borrowing in international capital markets. These budget deficits were not the only cause of the historically high real interest rates in the 1980s, but they were certainly among the most important. The budget deficits and the effort to finance them also raised the value of the dollar. This, in turn, depressed American exports, leading to a series of large trade deficits. Exports declined, imports rose and American industries dependent on selling abroad, or in competition with foreign products at home, suffered. These industries demanded protection. The United States retreated farther from free trade during the 1980s than in any comparable period since World War II. American protectionism imposed a particular hardship on Third World countries; the United States has historically taken a far greater share of their exports than Japan or western Europe.

VI

If economic issues will be ascendant in the post-Cold War era, if an important American goal will be to assist in the establishment of market economies, and if the most immediately useful way to promote market reforms is to reduce America's own economic imbalances, then the 1990 budget negotiations were as relevant to the long-term future of American foreign policy as the Persian Gulf crisis.

Those negotiations finally did produce a budget agreement. The way the president went about securing it, however, did little to convey a strong commitment to the kinds of policies required to pursue America's international political and economic interests in the post-Cold War world. President Bush failed to draw the necessary connection for the public between the nation's fiscal soundness and its international interests, even in the Persian Gulf. He could have appealed for modest economic sacrifice at a moment when American troops were at

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risk in the Arabian desert. A budget agreement, he could have argued, would send a signal of resolve at a time when the United States was trying to project an image of determination against a foreign tyrant. He delivered no such message.

If the United States is to play a useful, let alone a leading, role in the reconstruction of the world's economies according to market principles, a far greater public appreciation of the importance of particular economic policies will have to be developed. What is required to rally support for such policies is a credible political explanation of the connection between them and America's international interests. Perhaps such an explanation can be provided, but it seems unlikely that this president will do so.

President Bush has proclaimed his distaste for the details of economic policy and for the task of bringing spending into line with resources. "When you get a problem with the complexities that the Middle East has now, and the gulf has now, I enjoy trying to put the coalition together and keep it together," he said in the fall of 1990. "I can't say I just rejoice every time I go up and talk to [House Ways and Means Committee Chairman Dan] Rostenkowski about what he's going to do on taxes."[5] But the way Rostenkowski and his colleagues vote on taxes will have as much to do with the pursuit of American international interests in the post-Cold War era as the way foreign governments, with whose leaders the president has dealt so artfully, vote at the United Nations.

Apart from his personal inclinations, Bush's presidency rests on a coalition of forces and interests that offer no political basis for economic policies in support of the international trends favored by the United States. For twenty years Republican presidents have supported American Cold War security commitments, while avoiding the costs of sustaining the international economic order designed after World War II. They have been simultaneously scrupulous in fulfilling the nation's security obligations and delinquent in observing standards of international economic propriety.

Richard Nixon inaugurated this two-track foreign policy by going to great and expensive lengths to vindicate the American commitment to Vietnam and, at the same time, abandoning the gold-exchange standard and destroying the interna-

[5] Quoted in *Time*, Oct. 22, 1990, p. 27.

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tional monetary system crafted in 1944 at Bretton Woods. Ronald Reagan continued the pattern by presiding over both substantial increases in defense spending, the better to confront the Soviet Union in the early 1980s, and large budget deficits, with all the attendant international economic dislocation. The combination proved to be a formula for electoral success for them and for their political heir, George Bush.[6]

In the post-Cold War era, the international interests of the United States, not to mention the nation's own economic well-being, depend on reversing this approach and giving priority to what most economists regard as sensible economic policies. Such a reversal will be politically difficult to accomplish, as the protracted wrangling over the budget in 1990 demonstrated. It is, moreover, a reversal that this president is unlikely to achieve. This is so ultimately because George Bush is, personally and politically, a product of the Cold War. He could hardly be anything else. His skills, ideas and political constituency were acquired in a time when the great rivalry with the Soviet Union dominated America's relations with the rest of the world. These qualities served him and the nation well at the end of the 1980s, but they are likely to be far less useful in the era ahead. In historical perspective, George Bush may come to enjoy the ironic distinction of having presided, adeptly, over the disappearance of the kind of world in which he was best able to guide the foreign policy of the United States.

[6] This combination of policies arguably originated in a Democratic administration, with Lyndon Johnson's decision to escalate American involvement in Vietnam without increasing taxes or reducing domestic spending.

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Charles Krauthammer

THE UNIPOLAR MOMENT

Ever since it became clear that an exhausted Soviet Union was calling off the Cold War, the quest has been on for a new American role in the world. Roles, however, are not invented in the abstract; they are a response to a perceived world structure. Accordingly, thinking about post-Cold War American foreign policy has been framed by several conventionally accepted assumptions about the shape of the post-Cold War environment.

First, it has been assumed that the old bipolar world would beget a multipolar world with power dispersed to new centers in Japan, Germany (and/or "Europe"), China and a diminished Soviet Union/Russia. Second, that the domestic American consensus for an internationalist foreign policy, a consensus radically weakened by the experience in Vietnam, would substantially be restored now that policies and debates inspired by "an inordinate fear of communism" could be safely retired. Third, that in the new post-Soviet strategic environment the threat of war would be dramatically diminished.

All three of these assumptions are mistaken. The immediate post-Cold War world is not multipolar. It is unipolar. The center of world power is the unchallenged superpower, the United States, attended by its Western allies. Second, the internationalist consensus is under renewed assault. The assault this time comes not only from the usual pockets of post-Vietnam liberal isolationism (e.g., the churches) but from a resurgence of 1930s-style conservative isolationism. And third, the emergence of a new strategic environment, marked by the rise of small aggressive states armed with weapons of mass destruction and possessing the means to deliver them (what might be called Weapon States), makes the coming decades a time of heightened, not diminished, threat of war.

II

The most striking feature of the post-Cold War world is its unipolarity. No doubt, multipolarity will come in time. In

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perhaps another generation or so there will be great powers coequal with the United States, and the world will, in structure, resemble the pre-World War I era. But we are not there yet, nor will we be for decades. Now is the unipolar moment.

There is today no lack of second-rank powers. Germany and Japan are economic dynamos. Britain and France can deploy diplomatic and to some extent military assets. The Soviet Union possesses several elements of power—military, diplomatic and political—but all are in rapid decline. There is but one first-rate power and no prospect in the immediate future of any power to rival it.

Only a few months ago it was conventional wisdom that the new rivals, the great pillars of the new multipolar world, would be Japan and Germany (and/or Europe). How quickly a myth can explode. The notion that economic power inevitably translates into geopolitical influence is a materialist illusion. Economic power is a necessary condition for great power status. But it certainly is not sufficient, as has been made clear by the recent behavior of Germany and Japan, which have generally hidden under the table since the first shots rang out in Kuwait. And while a unified Europe may sometime in the next century act as a single power, its initial disarray and disjointed national responses to the crisis in the Persian Gulf again illustrate that "Europe" does not yet qualify even as a player on the world stage.

Which leaves us with the true geopolitical structure of the post-Cold War world, brought sharply into focus by the gulf crisis: a single pole of world power that consists of the United States at the apex of the industrial West. Perhaps it is more accurate to say the United States and behind it the West, because where the United States does not tread, the alliance does not follow. That was true for the reflagging of Kuwaiti vessels in 1987. It has been all the more true of the world's subsequent response to the invasion of Kuwait.

American preeminence is based on the fact that it is the only country with the military, diplomatic, political and economic assets to be a decisive player in any conflict in whatever part of the world it chooses to involve itself. In the Persian Gulf, for example, it was the United States, acting unilaterally and with extraordinary speed, that in August 1990 prevented Iraq from taking effective control of the entire Arabian Peninsula.

Iraq, having inadvertently revealed the unipolar structure of today's world, cannot stop complaining about it. It looks at

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allied and Soviet support for American action in the gulf and speaks of a conspiracy of North against South. Although it is perverse for Iraqi leader Saddam Hussein to claim to represent the South, his analysis does contain some truth. The unipolar moment means that with the close of the century's three great Northern civil wars (World War I, World War II and the Cold War) an ideologically pacified North seeks security and order by aligning its foreign policy behind that of the United States. That is what is taking shape now in the Persian Gulf. And for the near future, it is the shape of things to come.

The Iraqis are equally acute in demystifying the much celebrated multilateralism of this new world order. They charge that the entire multilateral apparatus (United Nations resolutions, Arab troops, European Community pronouncements, and so on) established in the gulf by the United States is but a transparent cover for what is essentially an American challenge to Iraqi regional hegemony.

But of course. There is much pious talk about a new multilateral world and the promise of the United Nations as guarantor of a new post-Cold War order. But this is to mistake cause and effect, the United States and the United Nations. The United Nations is guarantor of nothing. Except in a formal sense, it can hardly be said to exist. Collective security? In the gulf, without the United States leading and prodding, bribing and blackmailing, no one would have stirred. Nothing would have been done: no embargo, no "Desert Shield," no threat of force. The world would have written off Kuwait the way the last body pledged to collective security, the League of Nations, wrote off Abyssinia.

There is a sharp distinction to be drawn between real and apparent multilateralism. True multilateralism involves a genuine coalition of coequal partners of comparable strength and stature—the World War II Big Three coalition, for example. What we have today is pseudo-multilateralism: a dominant great power acts essentially alone, but, embarrassed at the idea and still worshiping at the shrine of collective security, recruits a ship here, a brigade there, and blessings all around to give its unilateral actions a multilateral sheen. The gulf is no more a collective operation than was Korea, still the classic case study in pseudo-multilateralism.

Why the pretense? Because a large segment of American opinion doubts the legitimacy of unilateral American action

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but accepts quite readily actions undertaken by the "world community" acting in concert. Why it should matter to Americans that their actions get a Security Council nod from, say, Deng Xiaoping and the butchers of Tiananmen Square is beyond me. But to many Americans it matters. It is largely for domestic reasons, therefore, that American political leaders make sure to dress unilateral action in multilateral clothing. The danger, of course, is that they might come to believe their own pretense.

But can America long sustain its unipolar preeminence? The spectacle of secretaries of state and treasury flying around the world rattling tin cups to support America's Persian Gulf deployment exposed the imbalance between America's geopolitical reach and its resources. Does that not imply that the theorists of American decline and "imperial overstretch" are right and that unipolarity is unsustainable?

It is, of course, true that if America succeeds in running its economy into the ground, it will not be able to retain its unipolar role for long. In which case the unipolar moment will be brief indeed (one decade, perhaps, rather than, say, three or four). But if the economy is run into the ground it will not be because of imperial overstretch, i.e., because America has overreached abroad and drained itself with geopolitical entanglements. The United States today spends 5.4 percent of its GNP on defense. Under John F. Kennedy, when the United States was at its economic and political apogee, it spent almost twice as much. Administration plans have U.S. defense spending on a trajectory down to four percent by 1995, the lowest since Pearl Harbor.

An American collapse to second-rank status will be not for foreign but for domestic reasons. This is not the place to engage in extended debate about the cause of America's economic difficulties. But the notion that we have spent ourselves into penury abroad is simply not sustainable. America's low savings rate, poor educational system, stagnant productivity, declining work habits, rising demand for welfare-state entitlements and new taste for ecological luxuries have nothing at all to do with engagement in Europe, Central America or the Middle East. Over the last thirty years, while taxes remained almost fixed (rising from 18.3 percent to 19.6 percent) and defense spending declined, domestic entitlements nearly doubled. What created an economy of debt unrivaled in American history is not foreign adventures but

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the low tax ideology of the 1980s, coupled with America's insatiable desire for yet higher standards of living without paying any of the cost.

One can debate whether America is in true economic decline. Its percentage of world GNP is roughly where it has been throughout the twentieth century (between 22 and 26 percent), excepting the aberration of the immediate post-World War II era when its competitors were digging out from the rubble of war. But even if one does argue that America is in economic decline, it is simply absurd to imply that the road to solvency is to, say, abandon El Salvador, evacuate the Philippines or get out of the gulf. There may be other good reasons for doing all of these. But it is nonsense to suggest doing them as a way to get at the root of America's economic problems.

It is, moreover, a mistake to view America's exertions abroad as nothing but a drain on its economy. As can be seen in the gulf, America's involvement abroad is in many ways an essential pillar of the American economy. The United States is, like Britain before it, a commercial, maritime, trading nation that needs an open, stable world environment in which to thrive. In a world of Saddams, if the United States were to shed its unique superpower role, its economy would be gravely wounded. Insecure sea lanes, impoverished trading partners, exorbitant oil prices, explosive regional instability are only the more obvious risks of an American abdication. Foreign entanglements are indeed a burden. But they are also a necessity. The cost of ensuring an open and safe world for American commerce—5.4 percent of GNP and falling—is hardly exorbitant.

III

Can America support its unipolar status? Yes. But *will* Americans support such unipolar status? That is a more problematic question. For a small but growing chorus of Americans this vision of a unipolar world led by a dynamic America is a nightmare. Hence the second major element of the post-Cold War reality: the revival of American isolationism.

I have great respect for American isolationism. First, because of its popular appeal and, second, because of its natural appeal. On the face of it, isolationism seems the logical, God-given foreign policy for the United States. It is not just geography that inclines us to it—we are an island continent

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protected by two vast oceans, bordered by two neighbors that could hardly be friendlier—but history. America was founded on the idea of cleansing itself of the intrigues and irrationalities, the dynastic squabbles and religious wars, of the Old World. One must have respect for a strain of American thinking so powerful that four months before Pearl Harbor the vote to extend draft enlistments passed the House of Representatives by a single vote.

Isolationists say rather unobjectionably that America should confine its attentions in the world to defending vital national interests. But the more extreme isolationists define vital national interests to mean the physical security of the United States, and the more elusive isolationists take care never to define them at all.

Isolationists will, of course, say that this is unfair, that they do believe in defending vital national interests beyond the physical security of the United States. We have a test case. Iraq's invasion of Kuwait and hegemonic designs on Arabia posed as clear a threat to American interests as one can imagine—a threat to America's oil-based economy, to its close allies in the region, and ultimately to American security itself. The rise of a hostile power, fueled by endless oil income, building weapons of mass destruction and the means to deliver them regionally and eventually intercontinentally (Saddam has already tested a three-stage rocket) can hardly be a matter of indifference to the United States.

If under these conditions a cadre of influential liberals and conservatives finds that upon reflection (and in contradiction to the doctrine enunciated by the most dovish president of the postwar era, Jimmy Carter) the Persian Gulf is not, after all, a vital American interest, then it is hard to see what "vital interest" can mean. If the Persian Gulf is not a vital interest, then nothing is. All that is left is preventing an invasion of the Florida Keys. And for that you need a Coast Guard—you do not need a Pentagon and you certainly do not need a State Department.

Isolationism is the most extreme expression of the American desire to return to tend its vineyards. But that desire finds expression in another far more sophisticated and serious foreign policy school: not isolationism but realism, the school that insists that American foreign policy be guided solely by interests and that generally defines these interests in a narrow and national manner.

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Many of realism's practitioners were heroic in the heroic struggles against fascism and communism. Now, however, some argue that the time for heroism is passed. For example, Jeane J. Kirkpatrick wrote, to be sure before the gulf crisis, that "It is time to give up the dubious benefits of superpower status," time to give up the "unusual burdens" of the past and "return to 'normal' times." That means taking "care of pressing problems of education, family, industry and technology" at home. That means that we should not try to be the balancer of power in Europe or in Asia, nor try to shape the political evolution of the Soviet Union. We should aspire instead to be "a normal country in a normal time."[1]

This is a rather compelling vision of American purpose. But I am not sure there is such a thing as normal times. If a normal time is a time when there is no evil world empire on the loose, when the world is in ideological repose, then even such a time is not necessarily peacetime. Saddam has made this point rather emphatically. If a normal time is a time when the world sorts itself out on its own, leaving America relatively unmolested—say, for America, the nineteenth century—then I would suggest that there are no normal times. The world does not sort itself out on its own. In the nineteenth century, for example, international stability was not achieved on its own but, in large part, as the product of Britain's unrelenting exertions on behalf of the balance of power. America tended her vineyards, but only behind two great ocean walls patrolled by the British navy. Alas, the British navy is gone.

International stability is never a given. It is never the norm. When achieved, it is the product of self-conscious action by the great powers, and most particularly of the greatest power, which now and for the foreseeable future is the United States. If America wants stability, it will have to create it. Communism is indeed finished; the last of the messianic creeds that have haunted this century is quite dead. But there will constantly be new threats disturbing our peace.

IV

What threats? Everyone recognizes one great change in the international environment, the collapse of communism. If that were the only change, then this might be a normal time and

[1] "A Normal Country in a Normal Time," *National Interest*, Fall 1990, pp. 40–44.

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the unipolar vision I have outlined would seem at once unnecessary and dangerous.

But there is another great change in international relations. And here we come to the third and most crucial new element in the post-Cold War world: the emergence of a new strategic environment marked by the proliferation of weapons of mass destruction. It is a certainty that in the near future there will be a dramatic increase in the number of states armed with biological, chemical and nuclear weapons and the means to deliver them anywhere on earth. "By the year 2000," estimates Defense Secretary Dick Cheney, "more than two dozen developing nations will have ballistic missiles, 15 of those countries will have the scientific skills to make their own, and half of them either have or are near to getting nuclear capability, as well. Thirty countries will have chemical weapons and ten will be able to deploy biological weapons."[2]

It is of course banal to say that modern technology has shrunk the world. But the obvious corollary, that in a shrunken world the divide between regional superpowers and great powers is radically narrowed, is rarely drawn. Missiles shrink distance. Nuclear (or chemical or biological) devices multiply power. Both can be bought at market. Consequently the geopolitical map is irrevocably altered. Fifty years ago, Germany—centrally located, highly industrial and heavily populated—could pose a threat to world security and to the other great powers. It was inconceivable that a relatively small Middle Eastern state with an almost entirely imported industrial base could do anything more than threaten its neighbors. The central truth of the coming era is that this is no longer the case: relatively small, peripheral and backward states will be able to emerge rapidly as threats not only to regional, but to world, security.

Iraq, which (unless disarmed by Desert Storm) will likely be in possession of intercontinental missiles within the decade, is the prototype of this new strategic threat, what might be called the "Weapon State." The Weapon State is an unusual international creature marked by several characteristics:

—It is not much of a nation state. Iraq, for example, is a state of recent vintage with arbitrary borders whose ruling party explicitly denies that Iraq is a nation. (It refers to

[2] Address to the Conservative Leadership Conference, Washington, D.C., Nov. 9, 1990.

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Iraq and Syria as regions, part of the larger Arab nation for which it reserves the term.)

—In the Weapon State, the state apparatus is extraordinarily well developed and completely dominates civil society. The factor that permits most Weapon States to sustain such a structure is oil. Normally a state needs some kind of tacit social contract with the civil society because ultimately the state must rely on society to support it with taxes. The oil states are in an anomalous position: they do not need a social contract because national wealth comes from oil and oil is wholly controlled by the state. Oil states are peculiarly distributive states. Government distributes goods to society rather than the other way around. It is therefore the source not only of power but of wealth. This makes possible an extraordinary degree of social control exercised by a powerful, often repressive state apparatus.

—The current Weapon States have deep grievances against the West and the world order that it has established and enforces. They are therefore subversive of the international status quo, which they see as a residue of colonialism. These resentments fuel an obsessive drive to high-tech military development as the only way to leapfrog history and to place themselves on a footing from which to challenge a Western-imposed order.

The Weapon State need not be an oil state. North Korea, hard at work on nuclear technology, is a candidate Weapon State: it has about as much legitimacy as a nation-state as the German Democratic Republic; its state apparatus totally dominates civil society by virtue not of oil but of an exquisitely developed Stalinism; its anti-Western grievances run deep.

The danger from the Weapon State is posed today by Iraq, tomorrow perhaps by North Korea or Libya. In the next century, however, the proliferation of strategic weapons will not be restricted to Weapon States. Windfall wealth allows oil states to import high-technology weapons in the absence of a mature industrial base. However, it is not hard to imagine maturer states—say, Argentina, Pakistan, Iran, South Africa—reaching the same level of weapons development by means of ordinary industrialization. (Today most of these countries are friendly, but some are unstable and potentially hostile.)

The post-Cold War era is thus perhaps better called the era of weapons of mass destruction. The proliferation of weapons of mass destruction and their means of delivery will constitute

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the greatest single threat to world security for the rest of our lives. That is what makes a new international order not an imperial dream or a Wilsonian fantasy but a matter of the sheerest prudence. It is slowly dawning on the West that there is a need to establish some new regime to police these weapons and those who brandish them.

In parliamentary debate on the gulf crisis even British Labour Party leader Neil Kinnock has emphasized that it is not enough to get Iraq out of Kuwait. Iraq's chemical stocks, he said, must be destroyed and its nuclear program internationally controlled. When the Labour Party, hardly a home for hawks, speaks thus, we have the makings, the beginnings, of a new Western consensus.

To do what exactly? There is no definitive answer, but any solution will have to include three elements: denying, disarming, and defending. First, we will have to develop a new regime, similar to COCOM (Coordinating Committee on Export Controls) to deny yet more high technology to such states. Second, those states that acquire such weapons anyway will have to submit to strict outside control or risk being physically disarmed. A final element must be the development of antiballistic missile and air defense systems to defend against those weapons that do escape Western control or preemption.

There might be better tactics, but the overall strategy is clear. With the rise of the Weapon State, there is no alternative to confronting, deterring and, if necessary, disarming states that brandish and use weapons of mass destruction. And there is no one to do that but the United States, backed by as many allies as will join the endeavor.

The alternative to such robust and difficult interventionism—the alternative to unipolarity—is not a stable, static multipolar world. It is not an eighteenth-century world in which mature powers like Europe, Russia, China, America, and Japan jockey for position in the game of nations. The alternative to unipolarity is chaos.

I do not mean to imply that weapons of mass destruction are the only threat facing the post-Cold War world. They are only the most obvious. Other threats exist, but they are more speculative and can be seen today only in outline: the rise, for example, of intolerant aggressive nationalism in a disintegrating communist bloc (in one extreme formulation, the emergence of a reduced but resurgent, xenophobic and resentful "Weimar" Russia). And some threats to the peace of the 21st

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century are as invisible today as was, say, Nazism in 1920. They will make themselves known soon enough. Only a hopeless utopian can believe otherwise.

We are in for abnormal times. Our best hope for safety in such times, as in difficult times past, is in American strength and will—the strength and will to lead a unipolar world, unashamedly laying down the rules of world order and being prepared to enforce them. Compared to the task of defeating fascism and communism, averting chaos is a rather subtle call to greatness. It is not a task we are any more eager to undertake than the great twilight struggle just concluded. But it is just as noble and just as necessary.

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William Pfaff

REDEFINING WORLD POWER

The collapse of communism has produced an unexpected result in the international order: the abolishment of superpower status itself, which proves to have been the product of superpower rivalry. Remove the rivalry and the category vanishes. Today there is not, as some argue, a single superpower, the United States; there are none.

The United States is thus deprived of the role that provided its national mission and self-justification for nearly a half-century. It finds itself compelled to reconsider not only what it must do but, in a significant respect, what it is. The assumptions that underlie its conduct of foreign relations are poorly adapted to the changed condition of international life; but, more important, thought is disoriented. This has been apparent in the Bush administration's diplomacy in the Persian Gulf crisis and in the president's difficulty in offering a coherent and convincing justification of his policy. The crisis is described in the vocabulary of Cold War and the struggle against totalitarianism; yet the language clearly does not fit. Iraq is a regional power possessing twice the population but less than half the GNP of Belgium. Applied to this affair, rhetoric adapted to the clash of superpowers and to great historical settlements has worked badly. Hence the president's difficulty in sustaining domestic support for what he is doing.

The category of great power was, in the past, associated with invulnerability. The "superpower" emerged at a time when nuclear weapons had removed any possibility of invulnerability. The superpower was not a traditional great power writ large but a different category of power, characterized by possession of a nuclear arsenal, by which each superpower rendered the other vulnerable, and by the claim each made to represent a model of the future of mankind.

It was not enough to be a nuclear power or a major economic power. Britain had nuclear weapons in 1952, France

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in 1960, and both were economic powers of much greater international consequence than the autarkical and economically stalemated Soviet Union. Japan's immense economic potential was evident by the end of the 1960s, and was realized in the 1970s and 1980s, when the European Community was also emerging as a coherent economic actor. But none of these were superpowers. They made no ideological claims, and asserted no global mission.

The Soviet Union never possessed industrial power remotely comparable to that of the United States, although for an unconscionably long time American and other Western analysts accepted Soviet claims to industrial and technical parity, and even to imminent superiority: that the U.S.S.R. really would "overtake and surpass" the United States. The U.S.S.R.'s nuclear status, ideological claims and political influence and its domination of eastern Europe, all made it appear logical to assume equivalent economic and industrial power, or at least the potentiality. There was, as well, an evident political, bureaucratic and, in the defense industries, commercial motive to make the most of the Soviet threat.

The Soviet system's collapse in 1989–90 was precipitated by economic failure but was fundamentally a product of ideological and moral exhaustion. The "internal contradictions" Marxism had attributed to capitalism actually characterized communism, and these eventually became unsustainable. The economic failure was not only product of an inability to keep up with Western industrial productivity and creativity, or with the Americans in the superpower arms rivalry (although the prospect opened by "Star Wars" in the early 1980s, of still another generation of countermeasure-measure-countermeasure competition, this time in space, must have appalled realists in the Soviet leadership). It was the Soviet system's mounting inability to function successfully even on its own terms, evident in falling life expectancy, a gradual but visible impoverishment, the bureaucratic stultification of all life.

The ideological collapse of which Mikhail Gorbachev was a product (and expediter, if unwittingly so) saw the difficult acknowledgment by a new generation of the Soviet intelligentsia that the system simply was false, evil in its consequences. This acknowledgment was the function of glasnost. There was that collapse in the confidence, and belief in self, of the ruling elite characteristic of prerevolutionary situations. The regime's past was for the first time openly confronted; an effort was

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begun to come to terms with the legacy of communism and to make amends for it—lamely at first, but with mounting courage. This preceded perestroika.

It was a collapse so complete that even now, only months later, one has difficulty crediting not only how thoroughly Marxism-Leninism dominated Soviet life for seventy years but how crucial the challenge of communism was taken to be outside the U.S.S.R.: how powerful its hold on the Western imagination, how influential its claim, made to the nationalist elites of the ex-colonial world, that it alone provided a valid and "scientific" interpretation of history and revolution. The American ideological counterclaim, that the United States represented the *novus ordo seclorum* promised by the Enlightenment, evoked nothing remotely comparable. The American ideal found a certain resonance in postwar Western Europe into the 1950s, and again in Eastern Europe in the 1980s and into 1990 (assuming a fantastic quality there, as in the caricature of the American dream and promise invoked in the Polish presidential campaign of November-December 1990). This ideal was chiefly important to Americans themselves, providing the rationale for the United States' liberal internationalist foreign policy from the 1940s forward, and offering a definition of national purpose.

Now all this is over. The Soviet Union is in economic and political decomposition and is the more dangerous for it, given the existence of a large arsenal of nuclear weapons under conditions of questionable security and the reality, this winter, of hunger and penury, struggle between republics and the center and among the nationalities.

II

The United States remains the world's most important military power, as it has demonstrated in the Persian Gulf. However, national power as such rests on a triad: military power; economic power, incorporating technological leadership or competitiveness; and finally social cohesion and public consensus on national goals. In the categories of economic and technological power the United States has faltered in recent years. The events of the summer and early autumn of 1990 displayed nearly complete stalemate on fiscal policy, the result of apparently irresolvable divisions on social priorities. A true national consensus on foreign policy has been lacking since

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midway through the Vietnam War, and certainly does not exist with respect to the gulf.

America's military scale and reach are dramatic, yet the very size of the gulf deployment suggests a disproportion of the country's military power to actual threats to its security. Iraq, whatever else may be said about it, does not pose any threat to the essential security of the United States. Even Iraq's threat to American economic interests, its attempt to obtain control or decisive influence over a significant part of the world's oil production is dubious, since oil is useless to Iraq unless it is sold on an international market that Baghdad cannot, in the long term, more than marginally influence. Our experience with OPEC should have demonstrated that.

On the other hand, the security of the United States is diminished by the limits placed on its autonomy of action by the country's dependence upon foreign creditors and its inability to resolve the political stalemate that exists on the question of taxation. The gulf deployment was accompanied by an appeal for other nations to pay for it, a demand the United States would never have made in the past, and one that itself amounted to a tacit renunciation of superpower standing. Superpowers pay their own way.

America's relative economic and technological decline is reversible, certainly, and is the subject of much anxious debate and many proposals for action. The American people are capable of sweeping changes of direction. Nonetheless while the United States remains rich in a form of power relevant to a Soviet military challenge that has faded, it is today weak, relatively speaking, in those forms of power in which its new and relevant rivals, Japan and Western Europe, are strong. The new rivalries contain none of the lethal threat of the old, of course. They still concern national influence, but influence that is obtained through commercial success and industrial and scientific leadership, producing prosperity and national well-being.

Currently the United States is also at a relative disadvantage because Japan and members of the European Community finance the American deficit—out of self-interest, certainly, so as to sustain a still-rich market important to them. But it is a relationship with a colonial aspect, as is the American trade relationship with Japan, wherein Japan buys low-value-added food and raw materials from the United States while selling to it increasingly high-value-added high-technology manufac-

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tures. Such a relationship multiplies Japan's advantage greatly; hence the United States risks falling further and further behind. As the head of the new European Bank for Reconstruction and Development, Jacques Attali, has remarked, the United States is now "Japan's granary, like Poland was for Flanders in the seventeenth century." One may also observe a colonial quality in the military relationship of the two countries. The United States, the debtor, furnishes the forces that provide the lender's military security, in exchange for the latter's purchases of U.S. treasury bonds not otherwise so easily marketed. An equivalent relationship has now developed with Saudi Arabia, which is purchasing its defense from the United States just as it is accustomed to purchasing other services from other foreigners.

The character of these relationships has provoked uneasiness in the United States, and some corrective forces are at work. However, as Paul Kennedy has bleakly observed, the same thing was true in past cases when great powers "were engaged in a national debate about 'decline'—early seventeenth-century Spain, for example, or Edwardian Britain. . . . There was at the time a widespread agreement that their decline was not inevitable, and that the country could hold its own, or reassert itself, provided there was enough 'vision,' 'willpower,' 'leadership,' and the rest." It did not help. However, the scale and inevitability, or otherwise, of these trends of failing American competitiveness and national competence are not the subject of this article, which is concerned with the geopolitical significance of the change in the international order produced by the virtual collapse of Soviet power and the relative weakening of the United States.

III

Two novel factors in the international situation must parenthetically be noted. One is the intensification of immigration to the more developed states, mainly from Latin America and Asia to North America, and from the Middle East and Africa to Europe. This phenomenon has already produced significant social and political tension in Europe and effected a marked change in the social texture and cultural patterns of the United States. It will certainly influence the future cohesion and political capacities of the Western industrial nations, in ways that differ from state to state. Western Europe also experiences some westward migration from the chaotic and

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impoverished east, but this may diminish as the economic condition of the ex-communist countries improves.

The second new factor is the proportionate weakening of the military advantage enjoyed until now by the advanced industrial states, as industrializing nations—Iraq, China, India and others—acquire the ability to produce weapons of mass destruction. This obviously is what has given such significance and emotional weight to the gulf crisis. Iraq is a metaphor for a Third World that can attack the wealthy nations that dominate the international system, and so avenge the poverty of the "South."

However, at the same time, the economic advantage of the advanced industrial states is increasing, since trade among the technologically and industrially advanced accelerates their own dynamism and decreases their dependence on single-source raw materials. In this respect, the gulf affair is misleading. Iraq's threatened domination of gulf oil supplies posed no fundamental long-term threat to the industrial countries so long as Iraq's need to sell oil was greater than the industrial countries' need to buy (from Iraq); price, in the end, is determined by forces beyond the supplier's control.

The conclusion generally drawn from these changes is that the world is moving toward a restored pluralism of power, a multipolar geopolitics. An end to superpower domination of the international system, however, implies a threat to the stability and (relative) peace among the major powers enforced by the superpower confrontation during the postwar years. The actual consequences will obviously be greatly influenced by the economic as well as political consequences of the gulf conflict. In the longer term the shape of the international system would seem to depend upon three major variables.

IV

The first is what follows in the Soviet Union. It was apparent as early as 1988 that President Gorbachev was likely to prove the Kerensky of a Russian revolution that had only begun. He was, and remains, the rational reformer, the liberalizer who condemns the past and wants to make vital changes in the structure of society without destroying it. He represents that phase in the revolutionary progression that Crane Brinton called "the Rule of the Moderates"—which, unfortunately, usually proves short-lived.

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There is a tendency for power to go from Right to Center to Left, from the conservatives of the old regime to the moderates to the radicals or extremists. As power moves along this line, it gets more and more concentrated, more and more narrows its base in the country and among the people, since at each important crisis the defeated group has to drop out of politics. To put it another way: after each crisis the victors tend to split into a more conservative wing holding power and a more radical one in opposition. Up to a certain stage, each crisis sees the radical opposition triumphant. The details of this process vary naturally from revolution to revolution.[1]

Once the old system has been undermined and the process of revolutionary change begun, it usually proves uncontrollable. This clearly is what is happening in the Soviet Union.

On the other hand, if Gorbachev is Kerensky, he is Kerensky without Lenin. Gorbachev has his rivals, but he does not face a disciplined radical movement or party such as the Bolsheviks in 1917, possessing a program, a plan of action, a command of political and revolutionary tactics. Gorbachev is still the most skillful politician visible in Moscow, and he still controls the apparatus of central power, the police, the army and a centralizing, integrating bureaucracy. However opposition to him mounts, even there, and he does not control the economy, and that is vital. No one else controls the economy either, which is the most significant fact about the Soviet situation today.

V

The second variable is what will develop in Europe, especially the European Community. Particularly crucial will be the changes in Germany after it has digested eastern Germany, and in the character of Germany's future relations with the other EC powers and with the state, or states, that emerge from the current disintegration of the Soviet Union.

The outlook is perhaps clearer than it was a few months ago, when Germany was thought by many to be tempted by a kind of economic Rapallo, an abandonment or attenuation of its EC and Atlantic ties and reestablishment of its past position of economic dominance in eastern Europe. The Germans are best placed to meet the need of the U.S.S.R. for capital, investment and economic direction, and such an eastward shift of German economic orientation has appeared to carry with it

[1] *The Anatomy of Revolution*, New York: Vintage, 1957, p. 130.

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a political threat, a new version of the now obsolete German strategic "neutralization" scenario.

Now it seems clear that Germany has no interest to serve by sacrificing its western ties for eastern opportunities that appear more and more dubious. Discovery of the real condition of eastern Germany was a shock. It now seems that eastern Germany's industrial reconstruction and environmental cleanup will alone absorb more than a decade of western Germany's investment surplus. On the other hand the EC with its Single Market looks more promising than ever, at a time when the postwar trading and tariffs system, the GATT system, appears in jeopardy. The EC gives Germany a solid political anchorage. Its values are the values that made postwar West Germany a success. There today seems no reason to doubt the new Germany's commitment to the EC and to the Western alliance—or to what survives of the Western alliance when the gulf crisis is over.

German unification placed a considerable strain on relations within the EC, with Margaret Thatcher's British government openly hostile to the pace and quality of the unification process, and France plunged into pessimism by the fear that it could find itself isolated between an eastward-looking Germany and a Britain determined to exploit its American relationship. Prime Minister Thatcher's overthrow in November changed that. Her successor, John Major, does not display her obsessive hostility to European entanglements. Nonetheless a fundamental question remains as to what the EC will become as a political entity. Notwithstanding the EC's program for political union, reemphasized in Rome in December, the prospect of the European "superstate" that Thatcher so ferociously opposed remains remote. The EC has no independent ability to tax, and its decisions must be executed by national governments. Its parliament remains essentially powerless. A single European foreign or security policy remains a distant prospect, if a realistic one at all. There are institutions for discussing and, when possible, coordinating the foreign policies of the individual governments of the EC. There is a European security organization, the West European Union, dormant since the creation of NATO, which has recently given sign of awakening—a tremor of the eyelids. But even if these institutions of cooperation are strengthened over time, it is difficult to see them going very far beyond the fairly limited present area of common action.

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On the other hand, in the economic sphere, the program for the post-1992 Single Market is proceeding, and while this certainly will not reach all of its targets in detail by the end of 1992, it has already accomplished a fundamental change in how European businessmen, industrialists and bankers see the future. For some time they have been making their investments and organizational commitments on the assumption that there will be a Single Market and that it will work; that, of course, means that the affair already is a success. Those are self-fulfilling assumptions.

The relevant political question is to what extent the existence of this Single Market, and of the common rates of value-added taxes, common tariffs, common labor and security norms, and common currency that come with it, will automatically force parallel fiscal and economic policies, and hence a practical unification in basic areas of national policy. This is the way real European unification will come about, if it does come about.

Another important question with respect to Europe is how the European Free Trade Association countries and the nascent east European democracies will be brought into the EC: in what stages, with what restrictions, and with what effect upon the development of the EC. They will eventually be brought in one way or another, meaning an ultimately much-strengthened "Europe" with a huge new internal market to satisfy. And after that—eventually—there remains the Soviet market, or the Russian, Ukrainian, Georgian, Lithuanian, and so on.

European developments provide by far the most interesting prospect before us today, in my opinion the one capable of making the largest difference to the world of fifty years from now. However, as far as one can now see, there is not going to be a single, integral Europe, meaning a single actor on the international scene named "Europe."

In principle, Europe possesses the capacity to become such an international political actor: the political talent, intelligence and economic foundations necessary to create such a power certainly exist. A very considerable military power already exists in western Europe, as well as the potentiality for more. One must doubt, however, that in the foreseeable future the major European nations will cede the essentials of independent national decision and action. Europe seems much more likely to remain a powerful association, or advanced form of

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alliance, of like-minded nations with a shared history and fundamental values and interests in common—but also with considerable and continuing differences in perceptions of world affairs and willingness to intervene to influence events outside the EC. One is reminded of something a contemporary observer said of Germany at the beginning of the nineteenth century, when nearly two thousand separate German political entities or sovereignties still survived. He called it "impregnable in defense and incapable of aggression." It was not such a bad condition for Germany, and it is not a bad one for Europe today, considering the past.

VI

The third variable is what happens in the United States. Will the relative economic decline and political stalemate characterizing the United States today, and the country's social conflicts, be mastered? It is a fundamental question to which no present answer is possible. A second question is what course the United States will elect to follow in foreign policy.

There are those in Washington who see the American response to the gulf crisis as the model for a new American program of global activism in support of democracy and in opposition to aggression, or as leading an international coalition to do this. Is such a plan serious? In theory, yes. The idea of a world unlocked from its Cold War polarization, where conflicts can be aired at the United Nations, and where the weight of international opinion can make itself felt, as over Kuwait, is an attractive one. The idea of the United States as coalition-builder and persuader of international opinion is attractive as well. This was the American conception of its role at the close of the First World War, and again when the United States sponsored the creation in 1944–45 of the United Nations—Wordsworth's "Parliament of man, the Federation of the world"—as it then seemed. The unilateralist United States, contemptuous of the United Nations and indifferent to the constraints of international law—to "unilateral compliance," in Jeane Kirkpatrick's phrase—was a fairly recent development.

However this vision of a new international order led by the United States presumes that the United Nations' opinions will prove consistent with American opinion, so that enforcing the U.N. judgments would be acceptable to the American public. There seems little reason to expect this to be so. Certainly one

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cannot expect it to be so consistently. For four decades the United States has opposed U.N. majority opinion on Israel, terrorism, other matters of Third World interest, and on its own policies in Vietnam, Grenada, Panama and so on.

The vast majority of governments represented in the United Nations are unrepresentative, and most are dominated by class or sectarian interests. The United States is a profoundly nationalistic society with deeply rooted unilateralist attitudes. It is scarcely imaginable that Washington would accept decisive U.N. influence on its own policymaking. It seems most unlikely that U.S. public opinion would accept further American military interventions involving fighting and casualties in the service of an international consensus the United States did not dominate. Washington would certainly expect to lead any new "world order," whether organized under U.N. auspices or otherwise.

And this, surely, is not in the long run a realistic expectation. There was much reluctance in Europe, not to mention in Japan—where a government crisis was provoked—to follow the United States into the gulf. Americans complain that the Germans and Japanese have contributed little to the gulf effort, and that the French have acted with considerable reserve. But the unspoken reply of the Europeans and the Japanese is that they did not ask the United States to do what it did, and they are distinctly nervous about the consequences of all of this. They would have handled Saddam Hussein differently (or, an American might object, not handled him at all). The affair is seen by the allies as another American adventure they are compelled by Western solidarity to support, but about which they are deeply apprehensive. It seems unlikely to prove a successful model for the future of international cooperation.

Any program of international intervention to keep order and check aggression would, in practice, seem to mean a mobilization of the permanent members of the Security Council against conflict and unrest largely of Middle Eastern, Asian, African or Latin American origin, without much regard for how that conflict has emerged or for the merits of the dispute. This is the case today; Iraq obviously enjoys considerable sympathy in the Arab world. Such a program would thus imply an institutionalization of what in the past has proven the principal source of grief for the United States in its postwar policy: its attempt, and failure, to control or suppress radical

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movements of indigenous origin and native energy in the Third World. American policy in the past has persistently interpreted such movements—those that it felt compelled to oppose—as manifestations of communism, or as decisively exploited by the communist powers to advance their interests. To reinterpret such movements as obstacles to a peaceful "new international order" (alternative to what might seem the chaos of life itself) seems an unprofitable and ultimately unfeasible course. Past experience of this approach to the non-Western world does not recommend its continuation.

The gulf affair has reopened the oldest debate in American foreign policy, that of isolationists versus interventionists. The isolationists are much the same people they were in the 1930s and 1940s, with much the same beliefs, essentially that the United States should keep apart from matters that do not directly threaten its tangible interests. Their conversion to internationalism from the 1940s forward proves to have been chiefly a product of war and then of anticommunism. With communism defeated they are ready to bring the troops home, just as in 1918 and 1945. The neoconservatives of the 1970s and 1980s have assumed the part played in the past by the liberal internationalists. They want the United States to lead a crusade for global democracy little different in inspiration from the Fourteen Points of Woodrow Wilson, or the Atlantic Charter, or the United Nations as originally envisaged by Franklin Roosevelt and his associates.

It is impossible at this point to say who will win this debate over the direction of American policy. The isolationists would seem to have a better chance to win than at any time since Pearl Harbor. Certainly if the gulf adventure ends badly they will be greatly strengthened. One must add that "isolationism" is an imprecise term and that U.S. economic and commercial engagements make a policy of economic isolationism (or autarky) inconceivable. The American security engagement in Europe will almost certainly continue as long as there is unrest in eastern Europe or the Soviet Union—and as long as the European allies wish to preserve the association, are prepared to share its burdens and are willing to maintain the essentials of the transatlantic free-trading relationship of the past forty years. On the other hand, the existing American apparatus of worldwide military bases and capacity for worldwide interventions, together with the conceptions of American (or "interna-

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tionalist") global security responsibilities justifying this deployment, are fundamentally challenged by the new isolationism.

VII

The international prospect today is not so much a world dominated by a single superpower as it is one lacking even great powers that meet the traditional definition of invulnerability. No nation is invulnerable; none are autonomous. No nation dominates in the way individual nations have dominated in the past. Japan; the European states, or EC; the United States—all are economic great powers, but vulnerable ones. The EC is the most important contemporary trading and industrial grouping but has not become a serious political actor and may never become one. The gulf crisis has demonstrated its present and persisting foreign policy incoherence.

Japan is vulnerable to change in the international trading economy, as well as to trade discrimination or trade war. Europe possesses the advantage in that respect, trading predominantly with itself, and prospectively with new markets in eastern Europe. Japan currently lacks the ambition for a global political role, and probably is disqualified from it by the uniqueness and historical isolation of Japanese civilization. The resentments against Japan that persist in Asia as a consequence of the Second World War, and the new hostilities provoked by Japanese commercial and trading policies, are also obstacles to a world political role commensurate with Japan's economic strength.

The unprecedented level of international cooperation achieved in the course of the gulf crisis, and as a result of the end to Soviet obstructionism in the United Nations, has prompted the hope of more international cooperation in the future. On the other hand, changes in the character of relevant military power, and in its distribution, and the drastic discrepancies of wealth that exist and are growing between nations of "North" and "South," threaten to produce a more anarchical and competitive international order. American and Soviet vulnerabilities, currently economic and social, could in the long term (the very long term, no doubt, for the United States) produce military vulnerability. The relative military weakness of the major European states and of Japan, on the other hand, is a reversible condition. All have been major military powers in the past.

History usually counsels a pessimistic conclusion—if a qual-

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ified one, since challenge and conflict have proven the only begetters of constructive change. However, the unprecedented fact about the present day is that the leading powers are democracies, and history suggests that democracies do not go to war with one another. The democracies are the prosperous success stories on the contemporary scene.

This too is unprecedented. In 1900 liberal society—bourgeois democracy—was widely believed corrupt and failing, under sentence of death. Trotsky subsequently put it that "History had already poised its gigantic soldier's boot over the ant heap." It was never made entirely clear why liberalism and democracy had failed; it simply was the conviction of the time that bourgeois society lacked "authenticity" and deserved to be replaced by something else. War in 1914 was generally welcomed by the elites of western Europe as a force of clarification, opening a new epoch in which "a clean sweep" could be made of what bourgeois society had created (as the Futurist Manifesto of 1910 demanded). So it did. What followed was the epoch of totalitarianism, producing human suffering unexperienced in Europe since the Thirty Years War.

This is the epoch whose end we believe and hope we are witnessing today. Provisionally, at least—one can never be certain—democracy and liberalism are restored to power and respect. They have succeeded. The radiation of their success is what conquered eastern Europe and provoked ideological collapse in the Soviet Union. The radiance of Western justice and success is the power that caused the east European nations and the Soviet Union to abandon what they were and attempt to become what we, the democracies, have made of ourselves. The success of the democracies has compelled acknowledgment, and tentative emulation, among the elites of the non-Western nations, who until now were inclined to credit the "scientific" claims of socialism and the claims to efficacy of the single-party authoritarian model of government.

VIII

It is a moment to seize. The tragedy the gulf affair threatens is that it may spoil this moment and block an international consolidation of the regime and the values of satisfied, democratic, peaceful society. It theatens to cloud the democracies' peaceful accomplishments and deepen the alienation of those in the non-Western world who perceive themselves to be victims of the West.

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The great lesson of how the Cold War ended may be stated in these words: being is superior to doing. What a nation is, is essential. What it does can only express what it is. The Soviet system collapsed because of what it was, or more exactly, because of what it was not. The West "won" because of what the democracies were—because they were free, prosperous and successful, because they did justice, or convincingly tried to do so.

There is a profound political truth here, which has not clearly been articulated, but which is vital to the choices that lie in the immediate American future. What we do on the international stage is of obvious consequence, but enduring success for a nation lies in the quality of its society and civilization. Military power served America's purpose when the Soviet threat was urgent, or seemed urgent. But the essential American, and Western, success in the postwar years lay in the creation of vital and energetic societies, extending social justice, promising further prosperity, capable of engaging the enthusiastic commitment of the nation's elites and young.

This has not recently been so clearly the case in the United States. The accumulation of American checks and incoherences has instead posed the possibility of costly failure, an experiment nobly undertaken that cannot be sustained.

The foreign relations of the nation rightly dominated its attention during the half-century now ending. To make that its continuing priority risks becoming an attempt to prolong artificially what Americans have thought, with reason, their heroic passage on the modern stage, but in doing so to fail the true tests the United States now confronts. The national challenge is within.

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William B. Quandt

THE MIDDLE EAST IN 1990

A year ago it was plausible to point to the declining salience of the Middle East in world affairs, particularly in contrast to the upheavals of central Europe. How, then, did it happen that in early 1991 the United States found itself at war with Iraq, with aircraft, carriers and some 400,000 troops in the Persian Gulf? And how did the price of oil more than double in the course of the past year?

The immediate answer to these questions is that Saddam Hussein of Iraq upset the patterns of Middle East politics by his reckless invasion of Kuwait on August 2, 1990. But there is more to the story. The apparently frozen landscape of the Middle East—no progress toward Arab-Israeli peace, no economic success stories, no impressive strides toward democratization, no new and inspiring leaders—may have given a false illusion of stability; in fact it merely masked political currents with explosive potential.

Throughout the region one could hear voices expressing deep frustration with the failure of politicians to grapple with severe economic and social problems. No regime seemed immune from popular disaffection. Everywhere Islamic movements were trying to capitalize on these frustrations, sometimes with success, by sounding the simple slogan "Islam is the solution." It was hardly necessary to mention what the problems were—there were so many to choose from: poverty, injustice, cultural alienation, lack of respect for human rights, corruption, violence.

The Palestinian uprising in the West Bank and Gaza had already revealed the anger and frustration of Palestinians, especially the youth, with the existing order in the Arab world and with the daily irritations and humiliations of the Israeli occupation. But for all the enthusiasm unleashed by the intifada in its first years, few tangible gains had been made and Palestinians were openly debating the merits of reverting to a strategy of "armed struggle." Elsewhere in the region, notably

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in Algeria and Jordan, popular demonstrations shook the self-confidence of regimes that were struggling to prevent economic deterioration.

II

This potentially volatile mixture of political sentiments in the region was compounded, at least among Arabs, by a perception that the Cold War's end would work to their disadvantage. Speaking to other Arab leaders in Amman in February, Saddam Hussein rang the warning bell. In a somewhat rambling speech, he argued that the decades of Cold War had assured the Arabs of Soviet support against an imperialist West and an expansionist Zionist state. But the situation had now radically changed. Drawing attention to a weakened Soviet Union, he proceeded to warn that the United States would be in a strong position for the next five years, during which time it would encourage Israeli aggression. The Americans, he predicted, would use their leverage with the Soviets to press for "an unprecedented exodus of Soviet Jews to Palestinian territory." He then decried the feeble Arab reaction to these dangers, reminding his audience that the ultimate target of the Americans was Arab oil.

Having painted this menacing picture of an American-Israeli conspiracy against Arab interests, Saddam Hussein asserted that "we saw that the United States as a superpower departed Lebanon immediately when some Marines were killed." Since then, the United States "has displayed some signs of fatigue." In closing, Saddam made a standard appeal for Arab unity. By all accounts the speech touched a nerve in many parts of the Arab world. It was scarcely noted in Washington.[1]

It is impossible to know with certainty whether Saddam Hussein had already decided to invade Kuwait at this time. But he was making a bid for leadership in the Arab world and he was finding a positive response, if not among the established regimes, at least on the street. In many ways Saddam was emulating a much more imposing figure from recent Arab history, Gamal Abd al-Nasser of Egypt. Like Nasser, Saddam implied that there was a void in the Arab world that could only be filled by a strong leader.

[1] For the text of Saddam Hussein's speech, see *Foreign Broadcast Information Service*, Feb. 27, 1990.

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Saddam Hussein's credentials as a new Nasser, or as a Saladin preparing to confront the modern-day crusaders, were not particularly impressive. Until recently, few in the Arab world would have thought to look to Baghdad for leadership or inspiration. His regime was seen as brutal, even by Middle East standards.[2] In addition, the Iraqi Baath Party had a secularist message and elitist structure that seemed out of step with mass-based Islamic political trends in the region.

Saddam had no great vision to impart to the Arab masses, although he had shrewdly manipulated their grievances. His answer to the problems of Arab society was a simple one—power, or in somewhat more glamorous wording, an "independent Arab will." And perhaps for people who feel vulnerable and on the margins of history, this may be enough. Certainly Saddam was no great orator. Despite the cult of personality surrounding him in Baghdad, he had little charismatic appeal beyond Iraq's borders. Nor could he point to great victories on the battlefield. On the contrary, he led his country into an enormously costly war with Iran in 1980, and ten years later was obliged to yield the meager gains from that conflict. Iraq, which had all the ingredients to become a relatively modern and prosperous country in the late 1970s, was poised once again in 1990 to tackle its internal problems. But its hero-leader mortgaged his country's future for the second time by his grab for Kuwait's wealth.

It is hard to see how Iraq can emerge from this war except in a severely weakened state. Saddam Hussein's military strength is shattered. Iraq is likely to be kept under some form of international quarantine until its power to threaten its neighbors is eliminated. So if there are winners to be found as a result of Saddam's flawed bid for power, they are, ironically, most likely to be his worst enemies—Iran, Syria, Egypt and, perhaps, even Israel.

III

What, other than raw ambition, has fueled Saddam's drive for hegemony? First, but not necessarily most important, was a severe economic crisis that was beginning to hurt in early 1990. Saddam had managed to pursue a "guns and butter" policy throughout the entire Iran-Iraq War, thanks in large measure

[2] For a sobering portrait of Iraq under Saddam's rule, see Samir al-Khalil, *Republic of Fear: The Politics of Modern Iraq*, Berkeley: University of California Press, 1989.

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to subsidies from the states of the Persian Gulf and credits from the West. But with the end of the war in mid-1988, Iraq was no longer able to extort such high payoffs from its neighbors, and the price of its only export, oil, was comparatively low, partly due to high levels of production elsewhere in the gulf.

In theory, Iraq might have managed the economic pressures by trimming its costly military program, by tightening its belt, and by intimidating its brethren in the Organization of Petroleum Exporting Countries to curtail their production in order to push prices higher. Such a policy might have allowed Iraq to meet debt repayments to its Western creditors and gradually get its economy back on track. Saddam, however, saw a quicker fix for the economic ills of his country—sharply higher oil prices and the vast wealth of Kuwait, including its $100 billion in foreign assets.

By the spring of 1990 he was making his demands known. He wanted Saudi Arabia and Kuwait to write off the billions of dollars of loans extended during the Iran-Iraq War; he wanted Kuwait to come up with an additional $10 billion in aid; he wanted OPEC to push oil prices to $25 per barrel; and he wanted Kuwait to yield two islands that controlled access to Iraq's port at Umm Qasr, as well as to pay some $2.4 billion for oil taken from the Rumailah oil field. At a meeting of the Arab League in May, and later in a letter from his foreign minister, Saddam made these points explicit.[3] According to Arab sources, Saddam acknowledged at the Arab League meeting that his demands might sound like blackmail, but he did not care. Iraq was determined to get its way.

There is more to Saddam Hussein's aggression than economic interests. He must have sensed that the relatively conservative political order in the Arab world was faltering. The established regimes had little to show for their efforts. Economic reform and democratization were much discussed by elites, but the reality was that neither had made much headway in the Arab world. Political life was dominated by the same old names, none of whom inspired much confidence. The kings, emirs and presidents were mostly hiding behind the walls of their palaces. The petrodollar binge of the 1970s and early 1980s had left great wealth in the hands of a few

[3] Letter from Iraqi Foreign Minister Tariq Aziz to Arab League Secretary General Chedli Klibi. July 15, 1990.

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rulers, but little in the way of real development. At the mass level, alienation from the state could be felt everywhere, and Islamic movements were poised to exploit these resentments.

Before making his final decision to launch a full-scale invasion of Kuwait, Saddam must have calculated the prospects of both regional and international responses. In Iraq's neighborhood, no one had the military clout to stop him. Despite the expenditure of billions of dollars for defense, the Saudis and their small gulf allies could do nothing to help Kuwait once the Iraqi tanks crossed its border. Only the United States might react, but its military capabilities in the gulf region were modest and its stance during the early period of tension between Iraq and Kuwait did not imply a forceful policy.

Saddam must have also calculated that few Arabs would regret the removal of the Sabah family from power in Kuwait. Indeed Iraq had always questioned the legitimacy of an independent Kuwaiti state, so both at home and elsewhere in the Arab world Saddam could present his move as rectifying an historical injustice imposed by British colonialists.

During the Iran-Iraq War Saddam Hussein had courted the keepers of the moderate order in the Arab world, including Kuwait, but now he sought to challenge them. To do so he needed themes capable of attracting mass support. Like Nasser he wanted to be able to intimidate regimes by appealing to popular sentiment. The two issues that he initially chose were the Palestinian cause and Arab weakness, later adding to his list the grievances of the poor against the rich. This proved to be a potent mixture. Not surprisingly, Saddam read the susceptibility of Arab popular opinion to a strong leader relatively well. His mistake was in assuming that the United States would accept a fait accompli, that the Saudis would not ask for foreign military help and that Moscow would not side with Washington.

IV

The Palestinian cause has always been manipulated by Arab regimes. Each Arab leader who has made a bid for regional influence—Egypt's Nasser, Syria's President Hafez al-Assad and now Iraq's Saddam Hussein—has presented himself as defender of the Palestinians. Over the years many Palestinians saw through the cynical political games played by the regimes. A healthy distrust of the Arab states was one of the strongest

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ingredients of the Palestinian nationalist movement identified with Yasir Arafat and his group, Fatah. Arafat, unlike some of his rivals, went to considerable lengths to avoid reliance on any single Arab regime. He prided himself on his ability to take from the Saudis, the Egyptians, the Iraqis and the Algerians without becoming beholden to any of them. Only Assad had become a bitter adversary, no longer susceptible to the courting of the Palestine Liberation Organization.

Unfortunately for Saddam's ambitions, the Palestinian card in 1989 and early 1990 did not seem to be available. Arafat, with the strong support of Egypt, was engaged in a delicate political maneuver aimed at getting talks under way in Cairo between Israel and a PLO-designated group of Palestinians. The process of working out the details to the satisfaction of both Israeli Prime Minister Yitzhak Shamir and Arafat was excruciatingly slow, but by late 1989 the Americans and the Egyptians had come up with a formula that appeared promising. Arafat, despite the skepticism of many in his entourage, signed on.

During the first two months of 1990, the United States turned up the pressure on Shamir to deliver an affirmative response to the so-called Baker plan. Within Shamir's own party, hard-line opponents objected strongly to the American proposals, claiming that they were a thinly veiled way for the PLO to get into the game of negotiations. In addition, they argued that the inclusion of Palestinians from east Jerusalem in these talks would jeopardize Israel's claim to the city. Shamir fought off the challenge to his leadership, but only after accepting the essence of the hard-liners' position.

Despite the disarray in Israeli political circles in early 1990, President Bush pressed hard for a positive reply to Baker's queries. In essence Shamir was being asked to go along with a formula for Israeli-Palestinian talks that would have involved the participation of one Palestinian spokesperson with at least a secondary residence in east Jerusalem and one Palestinian living outside the occupied areas. Shamir and his colleagues saw large substantive issues lurking behind these seemingly innocent procedural arrangements, but they did not want to say a blunt no to the United States.

The internal debate came to a head at a meeting of Likud Party leaders on March 3, 1990. Benjamin Begin, the former prime minister's son, had written an influential article opposing the American plan shortly before this meeting. Following

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debates among his party colleagues, Shamir apparently sided with those who felt that Israel could not accept the Baker proposals. Later that same evening, word reached Israel that President Bush had publicly called on Israel not to settle Soviet Jews in the West Bank or east Jerusalem. Two days later Shamir said that he had no confidence in the United States and would not go along with Baker's plan for peace talks.[4]

Seeing a political opening, the rival Labor Party threatened to withdraw from the national unity government unless Shamir agreed to the American proposals. In response the prime minister dismissed Labor leader Shimon Peres from the coalition, thereby setting off a political crisis that was to consume the Israeli body politic for months.

For a brief moment it seemed as if Peres might be able to form a narrowly based Labor-led government. But after failing to win support from some small religious parties, Peres was obliged to admit defeat. In June Shamir was finally able to present his Likud-led coalition to the Knesset. By any measure it was the most right-wing government in Israel's history. And the Labor Party was in such disarray that many wondered if it could survive as a significant force in Israeli politics.

In the course of the spring Baker's carefully nurtured initiative came to an end, U.S.-Israeli relations deteriorated and Arafat's moderate stance came under attack from Palestinian extremists on both the left and right. Toward the end of May, just as Shamir was completing the formation of his cabinet, a deranged Israeli soldier massacred seven Palestinian workers on the outskirts of Tel Aviv. The PLO pressed for an urgent meeting of the U.N. Security Council. Hoping to avoid a debate over granting a visa to Arafat, the United States agreed to hold the meeting in Geneva. It seemed to many as if the Bush administration were planning to vote for a resolution that would authorize the Secretary General to investigate the massacre and conditions in the occupied territories.

Just as the resolution was coming to a vote, on May 30, an armed group of Palestinians from the Palestine Liberation Front led by the notorious Abul Abbas (the mastermind behind the hijack in October 1985 of the cruise ship *Achille Lauro* and a member of the PLO Executive Committee) carried out an abortive strike on the Israeli coast near Tel Aviv. The

[4] See the account by David Makovsky, *The Jerusalem Post* (International Edition), March 24, 1990, p. 2.

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next day, the United States vetoed the resolution pending before the Security Council. Arafat was reportedly furious.

Bush and Baker had long been criticized for talking to the PLO despite continued terrorist attacks by Palestinian groups. This time the administration could not ignore domestic political pressures. Bush insisted that Arafat denounce and discipline those responsible for the beach attack. Arafat, from Baghdad, denied any direct responsibility but refused to condemn the operation. His spokesmen said that the U.S. veto made it impossible for Arafat to comply. On June 20, more in sorrow than in anger, Bush suspended the U.S.-PLO dialogue.

In retrospect, it seems clear that Iraq had a hand in the Abul Abbas operation, and that the results were exactly what Saddam Hussein desired: an end to the U.S.-PLO dialogue, to the peace process, and to the centrality of Egypt's role as a diplomatic broker. Presumably with the impending gulf crisis already in mind, Saddam Hussein wanted Arafat and the Palestinians in his corner. His April 2 speech threatening Israel with chemical weapons in the event of an Israeli attack on Iraq had already evoked a positive response from Palestinians. Saddam may have threatened Israel, but his eye was already on Kuwait. He wanted the Palestinian card in his hand as the moment of crisis approached.

The tide in the Arab world seemed to be running toward those who had power and promised victory. The mainstream of the PLO was on the defensive. Hamas, a Palestinian group with strong Islamic tendencies, was gaining momentum within the Palestinian movement and was even tactically aligning itself with Arafat's leftist opponents. By moving closer to Saddam, Arafat presumably hoped to quiet some of his critics. In brief, the collapse of the fragile Arab-Israeli peace process played right into Saddam's hands. Indeed it is difficult to imagine his making such an audacious move as the invasion of Kuwait if Israelis and Palestinians had been engaged in peace talks in Cairo, as envisaged in the Baker proposals.

V

Prime Minister Shamir's rejection of the Baker proposals may well have helped set the stage for Saddam's power play, but it was motivated by a totally different set of concerns. Like every other Israeli prime minister, Shamir was eager to maintain an effective working relationship with the American government. Early in 1989, he had been urged by Bush and

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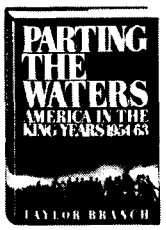

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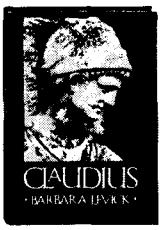

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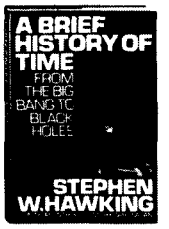

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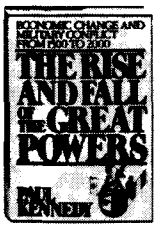

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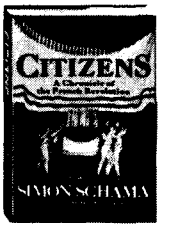

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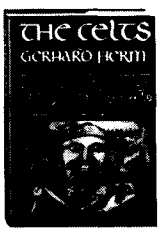

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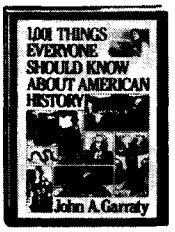

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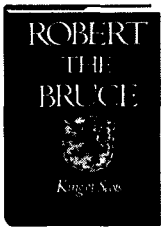

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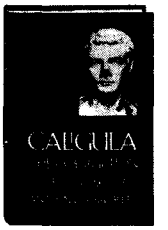

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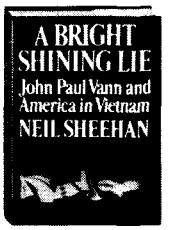

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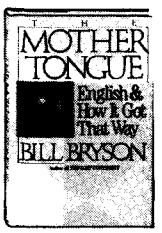

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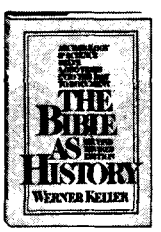

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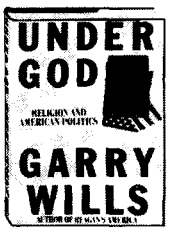

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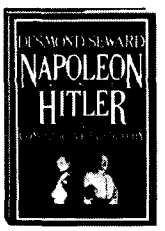

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Baker to come up with a political initiative to revive the peace process. Shamir produced a four-part proposal that included elections in the West Bank and Gaza. Whereas the Camp David accords had envisaged elections being held for a self-governing body, Shamir called for elections merely to select Palestinians with whom Israel would hold discussions on autonomy. Although nothing was said in the proposal about which Palestinians would be entitled to vote in the elections, Shamir apparently hoped to encourage the emergence of an alternative leadership to that of the PLO.

The Bush administration welcomed Shamir's ideas as a first step. The consensus seemed to be that Shamir was looking for a way out of the impasse on the diplomatic front. As a political realist, it was said, he would agree to deal with Palestinians who represented the PLO position, provided that he was given some face-saving way to justify such a step. This is where elections came in. Privately, administration strategists spoke of getting a process under way through small steps that would gain momentum as time went on, referred to as the "slippery slope" tactic.

Shamir, of course, saw through the administration's approach when it became apparent that his own proposals were being discussed seriously in the U.S.-PLO dialogue. By late 1989 the American position on a number of concrete issues was also moving in the wrong direction, at least from the Likud standpoint. For example, the United States was openly supporting the idea that Palestinians from east Jerusalem should vote in West Bank-Gaza elections. In addition Baker was siding with the PLO demand that at least one member of any Palestinian delegation to preliminary talks should be from outside the occupied territories. Shamir and his colleagues dug in their heels and decided to put an end to the game before it really got started.

One issue that must have influenced Shamir's thinking was the dramatic influx of Soviet Jewish immigrants to Israel in 1990. The rapid deterioration of economic conditions in the Soviet Union, coupled with a rise in antisemitism, coincided with an American decision to limit the number of Soviet refugees who could enter the United States. Suddenly Soviet Jews were flocking to Israel, a total of nearly 200,000 in 1990.

One of the strongest arguments of those Israelis who favored relinquishing the West Bank and Gaza was the demographic reality that at some point an Israel that stretched from

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the Mediterranean Sea to the Jordan River would have an Arab majority within its borders. To deal with this prospect Israel would either have to become a binational state or keep the Palestinian majority in a permanent state of second-class citizenship. The only alternatives seemed to be eventual withdrawal from most of the West Bank and Gaza or expulsion of the Palestinians, an option favored openly by a small minority of Israelis.

The influx of Soviet Jews, in numbers that might reach the million mark by the mid-1990s, held out a different possibility. Israel might be able to keep the occupied territories and retain a Jewish majority. Shamir even went a step further and spoke of the need for a "big Israel" to accommodate the new immigrants. This comment set off prolonged wrangling between the United States and Israel over where new immigrants would be settled.

Washington's interest in this issue was focused by an Israeli request for a guarantee of a $400 million housing loan. Not surprisingly, the Bush administration wanted to know where the money would be used. If the money would go to house new immigrants in the occupied territories—which Washington defined as all the territories beyond the "green line" of 1967, including east Jerusalem—then the funds would not be made available. Eventually agreement was supposedly reached and the funds were released, although it soon became clear that the two sides had sharply different interpretations of what was meant by the green line with respect to Jerusalem.

Apart from the demographic impact on Israel, Soviet immigration stimulated fears among Palestinians that their position in their homeland would become even more precarious. It seemed increasingly implausible that Arafat could salvage even a ministate in the West Bank and Gaza for them. Thus, Saddam's bid for power offered a means of checking Israeli expansion that appealed to many Palestinians who were frustrated with the unimpressive results of the PLO's nuanced diplomatic maneuvers.

The new immigrants also cast a heavy shadow on the Israeli political scene. How would they be absorbed? Where would they live? What jobs would be available for them? How would they vote? Some worried about the likely frictions between Sephardic Jews, who tend to occupy the lower rungs of the socioeconomic ladder, and the new immigrants, most of whom are white-collar professionals and receive economic benefits

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upon their arrival. Could Likud be the political home for these two disparate groups? In brief, a new political game is opening in Israel, and much of the country's energies for the foreseeable future will be engaged in absorbing this wave of immigration.

In mid-1990, a private group of Americans visited the Middle East and returned with an influential and reassuring assessment of the situation. Their conclusions, reflecting views they had heard in Israel, was that talk of war was much exaggerated. At the same time prospects for movement in the peace process were dim. The Shamir government, fully preoccupied with the task of absorbing the new immigrants, was not in a belligerent frame of mind, nor was it inclined to pursue new diplomatic initiatives toward the Arabs. But, the analysts noted, the Shamir government might have some surprises up its sleeve.[5] As it turned out Saddam Hussein, not Shamir, was the one who had a surprise in mind.

VI

Iraq's aggression, the collapse of the Arab-Israeli peace process, and the massive influx of Soviet Jews to Israel were certainly the defining issues for the Middle East in 1990. But other important developments, less dramatic but also with long-term implications, were taking place in the region.

Some observers who look at the Arab world see only violence, repression and obscurantism. But two of the largest Arab countries, Egypt and Algeria, deserve credit for serious steps toward political pluralism and economic reform. Despite decades of authoritarian government, Egypt has managed to preserve a relatively independent judiciary. In May 1990 the high court ruled on a case involving the legality of the 1987 elections to the People's Assembly. To the surprise of many, it found that there had been serious irregularities and that all legislation passed after mid-year would therefore have no legal standing. President Hosni Mubarak responded by calling for new elections in late November. Some of the opposition parties decided to boycott the elections, but many candidates ran as independents. Candidates supporting Mubarak's National Democratic Party won about three-quarters of the seats, although the elections seem to have attracted little interest

[5] *Policy Forum: Report on Trip to Egypt, Jordan and Israel*, by Martin Indyk et al., Washington, D.C.: Washington Institute for Near East Policy, 1990.

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among most Egyptians. Still, relatively free parliamentary elections are now becoming a normal part of Egyptian political life.

In addition to increasing respect for the rule of law, the Egyptian regime has been careful to allow a degree of freedom of the press that is rare in the Third World. Egypt still has a long road to travel before joining the ranks of stable democracies, but Mubarak has earned grudging respect for his steps in that direction. With the economy under enormous pressure, Islamic movements gaining ground, and domestic terrorists successfully targeting high government officials, a harsh crackdown on all opposition movements might have been expected. But thus far Mubarak has been careful not to overreact. Indeed, he has moved to ensure that the military will remain subject to civilian control and has removed a very unpopular minister of the interior, Zaki Badr, after repeated public protests about human rights abuses. Still, power remains firmly concentrated in Mubarak's hands, and he has yet to endorse competitive presidential elections.

On the economic front 1990 proved to be an extremely difficult year for Egypt. Under pressure from the International Monetary Fund, Egypt has gradually begun to decontrol food and energy prices. This has inevitably spurred inflationary pressures. By midyear Egypt was very near the point of defaulting on debt repayments to the United States, which could have cost it dearly in terms of future aid flows. In addition, oil revenues were on the wane.

The gulf crisis had an immediate adverse impact on many Egyptians, as hundreds of thousands fled Iraq to the safety of Egypt. But no jobs awaited them upon their return. Offsetting these costs to Egypt, however, were financial contributions from the Saudis and Kuwaitis, who were indebted to Mubarak for his role in mobilizing Arab League support against Iraq and for sending a sizable force to help defend Saudi Arabia. In addition, oil prices temporarily rose, which also helped Egypt's battered economy. Finally, the Bush administration won congressional support for a bill to forgive some $6.7 billion in foreign military sales credits.[6] Other countries followed suit, thereby reducing Egypt's huge debt stock by at least $15 billion. With these gains in hand, Mubarak seemed deter-

[6] For background on the debt issue, see William B. Quandt, *The United States and Egypt*, Washington, D.C.: The Brookings Institution, 1990, pp. 40–49.

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mined to continue with his gradual program of economic reform, and the IMF and World Bank seemed ready to give Egypt a vote of confidence as well.

While Egypt's move toward political and economic reform was fairly steady if slow, Algeria seemed to be hurtling down a similar path in 1990. For years this proud country had flaunted its revolutionary credentials, had clung to its single-party system of government, and had suffered under an inefficient state-run economy. Then in 1989–90, a Middle Eastern version of glasnost and perestroika seemed to take place almost overnight. With remarkable speed a free press replaced the boring official publications. Political parties were allowed to form and more than twenty were soon vying for popularity, ranging from the old left to the new Islamic parties on the right. Local elections were held in mid-1990 and, to the surprise of many and the shock of some, the Islamic party, Le Front Islamique du Salut, won a majority of seats. Despite its obvious unpopularity the government did not retreat. Instead it promised national assembly elections in 1991 and continued to move ahead with serious economic reforms. The country's first president, Ahmed Ben Bella, returned to the country from exile on September 27, hoping to launch a second political career, but seemed disappointed by his reception.

Algeria in 1991 may well provide an early example of what democratization in the Arab world will look like. Some foresee a clean Islamic sweep at the polls, but it is equally likely that some of the other parties will score significant successes. This may lead to coalition politics, where the Islamic movement will have a strong, but not exclusive, voice. Many in the Arab world—and in Europe—will be watching nervously to see how the experiment in Algeria unfolds. If it succeeds in bringing stability and economic progress to the country in the 1990s, and if democratization reaches the level of presidential power, Algeria will truly be living up to its revolutionary credentials.

VII

Elsewhere on the geographic periphery of the Arab world, in the Yemens, the political map was changed by a peaceful merger of the Yemen Arab Republic and the People's Democratic Republic of Yemen. Yemeni unity had long been a slogan in both countries, but few believed it could be made a reality, in part because of sharp Saudi opposition, and because of the very different political systems in the two regions. The

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PDRY was governed by the only avowedly Marxist regime in the Arab world. But this did not obstruct the merger, with the president of North Yemen, Ali Abdullah Saleh, assuming the same position in the unified state. Unification of the two Yemens in May 1990 created the most populous state on the Arabian peninsula. (Saudi Arabia claims to have a larger population, but few informed observers doubt that Yemenis far outnumber indigenous Saudis in the Arabian peninsula.)

As surprising as Yemeni unity were the terms on which it was carried out. According to initial reports, a degree of freedom reigned in the country, political pluralism was being respected and the human rights situation was improving. Indeed, Yemen was noted by workers for Amnesty International as one of the few countries in the region that was actively cooperating with their missions. As elsewhere in the region, however, real power remained concentrated in the hands of the president.

For Lebanon, 1990 may also be remembered as a year in which cautious steps toward national unity took place. But the cost has been extraordinarily high. The early part of the year was particularly bloody, with the Maronite General Michel Aoun continuing to challenge the government of Elias Hrawi (also a Maronite Christian) and his Syrian backers. This bid to reestablish Christian supremacy in Lebanon and to liberate the country from Syria's domination struck a chord among the frightened masses of the Christian enclave. Aoun became a genuinely popular figure, at least in some quarters. But his main external protector, the Iraqis, were in the Lebanese arena only as a way of weakening Syria, and once Iraq turned its attention to the main event, the invasion of Kuwait, Lebanon became a sideshow.

With Iraq clearly out of the Lebanese arena and with reasons to believe that neither the United States nor Israel would intervene on Aoun's behalf, the Hrawi government, strongly backed by Syria, moved against the general. Hundreds were killed in the final battles of late October, but the outcome was never in doubt. Aoun fled from his bunker in the presidential palace to seek refuge in the French embassy, leaving his supporters to make a final, futile stand against the advancing Syrian armor. By year's end the Hrawi government was asserting its authority in the Greater Beirut area; the militias were withdrawing from the city; and the American

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ambassador had returned, carrying with him offers of aid to the fledgling Lebanese army.

While no one could be very optimistic about the future of a country that had been nearly destroyed by civil war and external invasion over the past 15 years, for the moment the killing had stopped and Lebanese of various communities were engaged in efforts to make a reformed political system work. Against the otherwise grim news from the region in 1990, this was reason for at least a glimmer of hope.

Finally, one must look to events in Iran to complete an overview of developments in the region. Since the triumph of the Islamic revolution in 1979, Iran has undergone a genuine upheaval. Nothing like it has occurred elsewhere in the Middle East in modern times. But a decade of revolution and eight years of war had left Iran in a weak and exhausted position by 1990. The economy was weak, revolutionary fervor was on the wane, and a struggle for leadership was under way between those who adhered to the stark vision of the Ayatollah Khomeini and those who saw Iran's future as requiring a degree of accommodation with the outside world.

In the course of 1990 the more moderate tendency of President Hashemi Rafsanjani seemed to be winning over the revolutionists. Saddam Hussein's reckless invasion of Kuwait played into Rafsanjani's hands. Within weeks he was able to extract from a desperate Saddam Hussein concessions that had been unattainable since the ceasefire two years earlier. All Iranian territory was returned, as were prisoners of war, and Iran's claim to half of the Shatt al-Arab waterway was ostensibly recognized. Moreover, Iran paid no price at all for these concessions.

Some worried that Iran would help Iraq to break the economic embargo imposed by the United Nations, but that was a misreading of Iran's long-term interest in seeing Iraq weakened and Saddam Hussein removed from power. Like Syria, Iran was one of the potential winners of the gulf crisis. Before the year was over there were even signs that Iran was moving to rebuild its military power through purchases of advanced aircraft from the Soviet Union. As a sign of Rafsanjani's growing authority, his supporters swept the elections to the Assembly of Experts.

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VIII

In the midst of the profound region-wide crisis sparked by Saddam Hussein's invasion and annexation of Kuwait, it is tempting to conclude that the Middle East will never be the same again. Such an ahistorical view is unwarranted. The crisis does, however, reveal with clarity some myths that have surrounded the discussion of the Middle East, and it has also put a sharp focus on a number of underlying trends in the region.

One of the myths that can now be safely put to rest is that of Arab unity as a practical proposition. For at least twenty years pan-Arabism has been on the wane as an ideological force. Egypt's separate peace with Israel was an explicit sign that state interests would prevail over sentiment. Palestinian nationalism ran counter to the belief that the liberation of Palestine was the duty of all Arabs. Finally, even during the Iran-Iraq War, not all Arab countries had sided with Iraq. Most noteworthy was that champion of pan-Arabism, Syria's President Assad, who solidly backed Iran against the only other Baathist regime in the world.

Just prior to Iraq's invasion, however, there seemed to be a semblance of cooperation among most Arab states. Egypt had returned to the Arab League and the Arab League had returned to Cairo. Even Mubarak and Assad seemed to be ready for reconciliation. Egypt, Iraq, Jordan and Yemen were formally linked by a cooperation pact, as were the states of the Maghreb and those of the Arab side of the gulf.

In human terms, millions of Arabs were working outside their countries of origin in other parts of the Arab world. By doing so they were recycling petrodollars from the gulf to their families in Egypt, the West Bank and Gaza and Jordan. In brief, a kind of functional cooperation within the Arab world was occurring, but without the ideological pretense that integral Arab unity was on the horizon.

Saddam Hussein's invasion of Kuwait shattered whatever remaining illusions there might have been about common Arab interests. Virtually all Arab regimes disapproved of Iraq's annexation of Kuwait, but only a slight majority of the Arab League was prepared to condemn the invasion outright and support the idea of sending troops to defend Saudi Arabia. Others were more concerned with the rapid American military buildup, claiming that the dispatch of foreign forces

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preempted the possibility of an Arab solution to the crisis. Soon the lines were clearly drawn. The Saudis and their gulf allies could count on strong support from only Egypt and Syria. Most other regimes in the Arab world straddled the fence or supported the Iraqi claim that the main danger for the Arab world was the intervention of foreign forces.

As the crisis deepened, Saudis, Kuwaitis and Egyptians commonly expressed a belief that Saddam Hussein had acted with the full support of Jordan, and perhaps the PLO and Yemen as well. In this conspiratorial interpretation, Saudi Arabia was to be carved up among its neighbors. Apparently believing this, Saudis took uncharacteristically harsh measures against Yemenis, Palestinians and Jordanians. The scars from this episode will be felt for a long time.[7]

Another myth already under question, but which the gulf crisis revealed to be essentially hollow, was that Israel could always count on American support because of its strategic value to the United States. Throughout the 1980s politicians in both Israel and the United States had routinely referred to Israel as a "strategic asset." And at the peak of the Cold War there were some aspects of military and intelligence cooperation that gave substance to the term. But with the end of the Cold War, what remained of Israel's strategic clout?

The gulf crisis provided an answer. For the Bush administration, Israel's primary role was to lie low while Washington forged its anti-Iraqi ties with Saudi Arabia, Egypt and even Syria. The president and his secretary of state, eager to deny Saddam Hussein's call for linking a solution to the gulf crisis to that of the Israeli-Palestinian conflict, seemed intent on keeping Israel at an arm's length.

If anyone doubted the linkage between events in the gulf and in the Arab-Israeli arena, however, events in Jerusalem soon provided compelling evidence to the contrary. Palestinians in the occupied areas and in Jordan initially had become caught up in the enthusiasm for Saddam Hussein. Israelis were shocked and angry at the ease with which Palestinians appeared to condone the elimination of one Arab state by another. What did that say about Palestinian professions of accepting Israel's right to exist? The gulf crisis was inflaming

[7] See, for example, the surprisingly harsh attack by the Saudi ambassador to the United States, Prince Bandar bin Sultan, on Jordan's King Hussein, in *The Washington Post*, Sept. 26, 1990.

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the already tense atmosphere between Israelis and Palestinians. Then, on October 8, Palestinians clashed with armed police on the *Haram ash-Sharif*, or Temple Mount. The police responded with live ammunition, and when the dust had settled at least 17 Palestinians were dead in the bloodiest single incident in Jerusalem since the 1967 War.

At the United Nations, where the United States was trying to shepherd through the Security Council a series of resolutions to enhance pressures on Iraq, demands were made that the world body address the killings in Jerusalem. Normally the United States is hesitant to go along with such calls, and in the past had even used its veto to prevent one-sided resolutions from being passed. This time, however, the United States helped to craft a resolution critical of Israel that passed unanimously, infuriating the Israeli government. U.S.-Israeli relations were at a low point. Few signs of "strategic cooperation" were in evidence. On the contrary, many Israelis were worried that the United States would court its new strategic allies, the Saudis and the Egyptians, at Israel's expense. That concern also seemed to be unwarranted, however, at least while Congress was able to protect the aid relationship. An early indication of continuing American support for Israel came in the form of an additional $700 million in military assistance in fiscal year 1991.

Some Israelis and their supporters feared that the gulf crisis would jeopardize Israel's interests. Iraq might well emerge from a political settlement with its strategic arsenal intact. Pressures could build on Israel to attend an international conference that would inevitably call for Israel to yield the occupied territories to its neighbors. And American aid would be unlikely to keep pace with Israel's growing needs.

While Israel's society and economy are indeed likely to experience severe strains in coming years, Israel's fundamental security position still seems quite strong. If, as seems probable, Iraq is kept on a very meager arms diet for the foreseeable future, no regional power will be able to threaten Israel. Iraq's nuclear potential poses a long-term threat, but for the moment Israel is the only nuclear power in the region. In addition American support for the Jewish state is unlikely to disappear.

Even so, Israel will no doubt be asked to confront the political, territorial and security issues that remain in dispute with its Arab neighbors, and some form of regional peace

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conference is a distinct possibility. This will force Likud to confront tough political choices, but Israel's security seems assured.

If Israel seemed likely to emerge from the gulf crisis in a relatively strong position, the same could not be said of Jordan. There the economic burden of the crisis was immediately felt, and King Hussein's political stance jeopardized future support from both the gulf states and the West. Nonetheless the king had probably never been more popular among Jordanians and Palestinians, giving the regime some solace as it confronted its most serious crisis in twenty years. Perhaps Jordan can weather the storm, but it might also be one of the war victims.

IX

For the Middle East 1990 was a year filled with nostalgic messages from an earlier era. Saddam's rallying cry of Arab unity echoed the more compelling message of Nasser in the 1950s. On a smaller scale, Aoun's appeal to restore the fortunes of the Maronites in a Lebanon free of foreign domination was more a theme of the past than a realistic vision of the future. Ben Bella's return to Algeria bore faint resemblance to his triumphal entry into a newly independent Algeria in 1962.

Even King Hussein of Jordan contributed to this sense of regret for a bygone era by urging his countrymen to address him by the title of his great-grandfather, Sherif Hussein. (In so doing, he convinced many Saudis that Jordan was reviving a territorial claim to the Hijaz, the part of the Saudi kingdom where the Hashemites had held sway until the mid-1920s.) Throughout the region, Islamic movements were also looking backward to earlier models, and traditional religious symbolism was pervading political discourse.

Israel, in most ways the most modern of the states in the region, was hardly immune to these voices from the past. The religious parties, while attracting relatively few followers, held the balance of power between the two main blocs and played it for maximum advantage. Everyday life in west Jerusalem was definitely colored by the influence of the ultra-Orthodox community there.

The arrival in Israel of huge numbers of new immigrants reopened a whole series of suppressed debates. Who is a Jew? Could a Russian immigrant whose father was Jewish but whose

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mother was not come in under the Law of Return? Could Israel now pursue the Zionist ideal of Jewish labor, freeing itself from dependence on a large Palestinian work force? Was Greater Israel now a realistic vision, as Shamir implied? What then of the Arab inhabitants of the country and their rights? All of these issues had been debated at length by the early Zionists who came to Palestine in the 1920s and 1930s, and now the debate is being revived in dramatically new circumstances.

The politics of the past, of romantic visions, was one sign of how unsatisfactory the prevailing order was to many in the Middle East. If reliable public opinion polls existed, they would doubtless show high levels of dissatisfaction with most dimensions of political, economic and social life throughout the region. Not surprisingly, then, many looked to the past for inspiration and for a sense of continuity with history.

At the same time the Middle East is being bombarded with every aspect of the technological and information revolution. In foreign ministries and luxury hotels around the region, televisions broadcast Cable News Network programs 24 hours a day. Elites everywhere are in touch with this instantaneous source of information. The computer and the fax machine are now commonplace in the region. Millions of Middle Easterners have studied or worked in Western countries, speak English or French fluently, and plan to send their children abroad for education. This is the other side of the look backwards—an encounter with an omnipresent, increasingly compelling global culture.

If anyone doubts the appeal of modern technology in the Middle East today, they have only to look at the military establishments in countries as diverse as Iraq, Saudi Arabia and Israel. Here the most sophisticated equipment is in operation, including surface-to-surface missiles, precision-guided weapons, advanced aircraft and so forth. Thousands of young recruits have trained on these weapons, mastering complex skills in the process. Whatever their ideologies, military officers are obliged to learn the ways of the West; the same is true of bankers, businessmen, agricultural engineers and factory managers.

Nowhere are these tensions between past and future more apparent than in North Africa; there serious debate is under way about how best to prepare for the coming unification of Europe in 1992, which has profound implications for each of

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the societies on the southern side of the Mediterranean. At the same time, in the same societies, arguments are taking place over the application of Islamic law in all sectors of life.

It is this tension among ossified political structures, the lure of the past, and the reality of societies in turmoil that is the subtheme of Middle East politics. Of course the dramatic events in the gulf, the Arab-Israeli confrontation and the long-standing troubled encounter between the Middle East and the West are capable of reshaping the political map of the region. But it is also these undercurrents of debate within each society, within each state, that will determine the contours of the Middle East for years to come.

For the moment the region seems caught up in the appeal of the past and the dangers of the present. But a few signs can also be found that the currents that are sweeping the rest of the globe—democratization, economic reform, and peaceful resolution of conflicts—can take root in the Middle East as well. But for this to happen, rulers like Saddam Hussein must be checked and the Arab-Israeli dispute must move toward resolution. Only then can the energies of the region be directed toward curbing the arms race, toward economic development and long-overdue reform, and restructuring along more democratic lines of decaying political systems.

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Richard Pipes

THE SOVIET UNION ADRIFT

During the four decades that followed World War II, the United States faced a rigid and hostile Soviet Union. The resulting state of international tension led to two wars in which U.S. troops fought Soviet proxies, precipitated a number of regional conflicts and compelled the two countries to spend vast resources on defense. In a paradoxical way, however, this tension also maintained global stability as each of the superpowers restrained its allies and clients and avoided direct military confrontation. It is generally agreed that this period of history has now come to an end. Understandably, not a few political and military figures in both countries look back with nostalgia on the days of the Cold War.

With the approach of the 21st century the international situation is assuming new and as yet only dimly understood shapes. Various processes are at work, the most important of which may well be the waning of the nation-state, the principal organizing force of Western society and its possessions since the seventeenth century. Pressures from below in the form of ethnic separatism, guerrilla movements, religious fundamentalism and terrorism sap legitimate governments of their traditional authority. At the same time, emerging supranational bodies limit the scope of sovereignty. The flow of capital ignores national frontiers. So does the movement of populations, which surpasses anything experienced since the great migrations of antiquity. Escaping war or driven by the quest for economic opportunity, tens of millions of people uproot themselves. Just how far this migration has progressed is revealed by the Iraqi occupation of Kuwait, which dispossessed from this minuscule country more than one million migrant workers in less than a month. The politics of the future are likely to be less predictable as the number of international actors grows exponentially. Just as the classical empires of the nineteenth century gave way to a multiplicity of nation-states,

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so too are the nation-states of today reeling from the pull of centrifugal forces. One cannot escape the impression that much of the modern world is entering a period of neo-feudalism.

The Soviet empire, until recently, managed by dint of extraordinary controls to isolate itself from these disruptive processes. Six years ago, however, its leadership realized that for this stability it paid a heavy price in the form of economic stagnation and public apathy, which threatened to transform the Soviet Union into a second-rate power. The Soviet leadership concluded that things had to change, but it had no program. The leaders seem to have thought the system was basically sound and could be set right by an infusion of fresh vigor. Gaidar Aliev, a one-time member of the Politburo, has said in fact that Mikhail Gorbachev was chosen to head the party precisely because he seemed more "energetic" than his competitors, expecting him to use his energy to advance the communist cause.[1] It is clear in retrospect that the Soviet leadership, including Gorbachev, greatly underestimated both the immensity of the task confronting anyone inclined to tamper with the status quo and the determination of its beneficiaries to resist change. Victims of their own propaganda, the leadership believed the communist regime to be in need of mere renovation.

The Soviet leadership soon learned, however, that it had inherited a thoroughly decrepit structure, no part of which could be repaired without causing other parts to totter. As this realization dawned, cautious corrections gave way to reforms, reforms to more fundamental changes, and fundamental changes to the virtual rejection of the Leninist-Stalinist legacy. The result of these incremental changes was to expose the vaunted stability of the communist regime for what it was: an artificial rigidity imposed from above and devoid of internal supports. What had been created by force could only be sustained by force; the price was national rigor mortis.

The reforms carried out at an increasingly rapid pace since 1985 shattered the illusions the Soviet regime had assiduously cultivated among its people: that they stood in the vanguard of progress and enjoyed a degree of security known nowhere else in the world. To justify increasingly fundamental reforms, it

[1] *Golos Armeni*, Oct. 7, 1980, cited in *Radio Free Europe/Radio Liberty Daily Report*, no. 200, Oct. 19, 1990.

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became necessary for the Soviet leadership finally to tell the truth about the country's condition, which indeed was worsening even as reforms proceeded. All these factors had the effect of plunging the Soviet people into a kind of collective depression. Tatiana Zaslavskaia, director of a major Soviet polling institute, finds the population in the grip of extreme anxiety and pessimism:

> When a year ago we asked people whether they had confidence in tomorrow, 62 percent answered negatively. But in September of this year, only one-and-a-half percent still had confidence. Even in Moscow they numbered only five percent. And in many regions of the country, we could not find a single person who did not fear the future.[2]

Perestroika has thus laid bare the fraudulent nature of the communist system and, in so doing, has induced in the country a state that Zaslavskaia describes as one of "nervous exhaustion." No tampering with institutions or procedures can overcome this national malaise; it lies at the bottom of the plight gripping the Soviet state and Soviet society.

An understanding of the internal condition of the Soviet Union must precede any attempt to formulate a policy toward it. This prescription may seem obvious, but it was not always followed. The conduct of the United States abroad has been guided traditionally more by subjective desires than by objective realities. We approach foreign policy from a moralistic point of view. Experience teaches that the American electorate can be galvanized to support active involvement abroad only if persuaded that it serves a moral purpose. Appeals strictly to national interest do not work because most Americans see little to gain from foreign involvement, and realpolitik leaves them cold. This is said not in disparagement, but by way of caution. American moralism has been a force for good, even if on occasion tinged with hypocrisy, and it has appreciably raised the standards of international behavior. The trouble is that it tends to blind U.S. policymakers to the harsh realities of the world with which they must deal, for it prompts them to think in the same black and white categories to which they resort in the quest for domestic support.

Gorbachev has been pronounced a "miracle"; he has been anointed "man of the decade" and crowned with the Nobel

[2] *Komsomolskaia pravda*, no. 249, Oct. 30, 1990.

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Peace Prize. Although the American press reports in somber detail the collapse of Soviet society under his rule, the prevailing view in and out of Washington holds that Gorbachev must be supported at all costs because every alternative is worse. This may or may not be true. But what is better or worse is not the question to be answered in formulating a sound U.S. policy toward the Soviet Union in the 1990s. The question should be, what is more likely? Events inside the U.S.S.R. have their own momentum. Our ability to influence them is marginal at best, and all the more since foreign policy plays in them a minor part.

II

Although the most visible manifestations of the Soviet crisis are economic, the root problem is political. Having laid claim to the ownership of all the country's productive resources, the Soviet government has assumed responsibility for all economic shortcomings. And inasmuch as the communists have allowed no other party to share power with them, consumer discontent translates into a rejection of communism itself. Surveys conducted in July 1990 indicate that the number of citizens who "fully trust" the Communist Party has declined to 14 percent. This is considerably less than the number of those who express complete confidence in the army, 35 percent, or even the KGB, 24 percent. Between 80 and 90 percent of respondents reject socialism; the small minority still favoring it consists almost entirely of older citizens who fear that a loosening of economic controls will rob them of social welfare benefits in their old age.[3]

The political crisis has two principal aspects: a vertical conflict within the Communist Party between conservative and democratic elements and a horizontal conflict between the central government and the governments of the union's 15 constituent republics.

Gorbachev initially tried to implement reforms through the party apparatus. Like the other ruling institutions of the U.S.S.R., including the armed forces, the party is divided along generational lines. Unfortunately for Gorbachev, the democratic elements, accounting for about a third of the party's strength, are concentrated among younger members

[3] *Izvestia*, no. 332, Nov. 29, 1990.

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who hold subordinate posts. The older communists filling the ranks of the *nomenklatura* are rigidly conservative.[4] They opposed and managed to block, mainly by means of passive resistance, Gorbachev's reform program because it threatened their privileges and their livelihood, both of which rest on the party's command of the economy.

Frustrated by this resistance, Gorbachev decided to invoke popular support, which he knew to favor change. To this end, he took the immensely risky step of shifting the center of gravity of political decision-making from the party to the state. He brought into existence a new institution, the Congress of Peoples' Deputies, many of whose members are popularly elected; he also infused life into the republics' moribund soviets. At the same time, Gorbachev emasculated the party by depriving it of its monopoly status as the country's only legitimate political organization, reduced the Politburo to impotence and stripped the party of the bulk of its revenues. These moves accomplished a veritable revolution by subverting the one-party regime, which had been the operational constitution of the Soviet Union since 1918.

The shift to state institutions, however, proved exceedingly difficult to realize. Under the Leninist-Stalinist regime, state organs had dutifully executed party directives; they performed no legislative functions and had no legislative experience. The disestablishment of the party, therefore, had a consequence similar to that produced in March 1917 by the abdication of the tsar, namely, administrative disarray. In the former case, the imperial bureaucracy dissolved; in the latter, the communist bureaucracy was disabled. Tsarism and communism had this in common: they provided the only administrative links connecting the vast empire. They did this in a rather mechanical fashion, however, without developing organic bonds to society. Once the central linchpin of the system snapped, the structure fell apart for there was nothing to sustain it from below. Gorbachev, like Alexander Kerensky, has since been desperately trying to prevent governmental collapse which his own measures provoked by devising ever

[4] A poll reported in *Argumenty i fakty*, no. 29, July 21–27, 1990, showed that 68 percent of delegates to the 28th Party Congress wanted to maintain "democratic centralism"; 67 percent favored the party retaining its status as the "vanguard" of society, and 64 percent felt it ought to play a leading role in the army and the KGB. Since delegates came from the upper echelons of the party, however, these statistics may overstate the strength of its conservative constituency.

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newer institutions to fill the void. But so far the process of disintegration has eluded remedies. Confusion reigns. Writing in early 1990, liberal historian Yuri Afanasev had this to say:

> Such an unwieldy governmental structure as ours . . . certainly has never existed anywhere. There are two chambers of the Supreme Soviet. There is also a Presidium of the Supreme Soviet, with its committees and commissions. Besides, there exists the Presidential Council and the Council of Ministers. Such a structure is hardly capable of operating normally. The division of functions, say, between the Presidium of the Supreme Soviet and the Presidential Council is not defined. The president's authority is, as it were, executive, but there exists also the Council of Ministers, which lacks a precise sphere of activity.[5]

Since these words were written, two new bodies have been created: the Council of the Federation and the Council for National Security. The relationship of the first to the existing institutions is so imprecise that it cannot even be determined what, if any, functions are still left to the ministers.

III

It has been a constant factor in U.S. policy since 1917 that America's interests are best served by the preservation of the Soviet Union's territorial integrity. While it encouraged the dissolution of Western empires, Washington has supported the Russian empire by refusing to acknowledge the aspirations to statehood of the non-Russian peoples of the U.S.S.R. This policy has been implemented with such consistency that Washington chose to ignore the three Baltic republics' declarations of independence in 1990, even though it had never recognized their forceful incorporation into the U.S.S.R., treating them all along as de jure independent.

This policy of support for Soviet territorial integrity is based on two fears: that the instability and regional conflicts resulting from a breakup of the empire would balkanize eastern Europe and much of Asia, a potential development that is especially threatening in the age of nuclear weapons; and that expressions of sympathy for the national ambitions of the Soviet minorities would alienate the Great Russians, the country's largest and most important ethnic group. The first of these premises may be correct, but it is irrelevant; the striving of nations for independence has nowhere been impeded by

[5] *Strana i mir*, no. 3/57, 1990, p. 30.

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considerations of regional or global stability. Applied consistently, such a consideration would require us to oppose the Soviet withdrawal from eastern Europe.[6] The second premise is invalidated by evidence that most Great Russians not only do not wish to force their subject peoples to remain in the union, but want out of it themselves.

Since its inception in 1922 the Soviet Union has been something very different from what it purported to be. Although nominally a federation of free and equal nations, it was all along a unitary state governed by the Moscow-based and Russian-dominated Communist Party through its bureaucracy, army and security police. The national aspirations of the minorities who make up nearly half the Soviet population were assuaged by powerless institutions and meaningless rituals, while any genuine nationalistic expressions were suppressed and silenced. Beneath the tranquil facade of a happy comity of nations simmered ethnic animosities aggravated by competition over consumer goods, jobs and housing. It required only a loosening of central authority for these animosities to rise to the surface.

The disintegration of the union occurring before our eyes is not confined to areas inhabited by non-Russians. Nationalism often expresses aspirations as well as frustrations that in ethnically homogeneous regions may assume nationally neutral forms. This explains the rise of Great Russian nationalism and, along with it, the Russians' decline of interest in their colonial possessions. Opinion surveys conducted in May 1990 show that 43 percent of the inhabitants of the Russian republic wished to secede from the union.[7] Contrary to widely held beliefs in Washington, a high proportion of Great Russians is consistently willing to concede independence to the other republics. This tolerance of separatism can be explained by a widespread feeling that the R.S.F.S.R., which has half the union's population but accounts for 70 percent of its industrial output and 80 percent of its exports, would be better off on its own.

The centrifugal forces do not manifest themselves exclusively at the republican level; some republics are themselves

[6] The fate of intercontinental missiles, should the U.S.S.R. fall apart, is indeed very troubling. There are good reasons to expect, however, that the Strategic Forces and the KGB, which control these weapons, would prevent them from falling into the hands of the republics, none of which has expressed an interest in them in any event.

[7] *Argumenty i fakty*, no. 21, May 26-June 1, 1990.

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riven by ethnic discord. Within the Russian republic several minorities (e.g., Tatars and Yakuts) have staked claims to sovereignty. Elsewhere, small minorities living in the midst of large ones (e.g., the Abkhazians in Georgia and the Gagauz in Moldavia) have done the same.[8] Finally, some Russian cities and territories have asserted sovereign status as well.

Nationalist passions are only one reason for this phenomenon. Behind it also loom economic and political factors. The failure of the central government to satisfy the needs of consumers and the breakdown of the economic distribution system compel each region to attend to its own needs. At the expense of the all-union economy, each hoards commodities for barter with other regions. This trend is perhaps a major reason behind the breakup of national unity, certainly in the Russian republic. A related factor is the greater trust citizens of every nationality place in local authorities, who are more familiar than the center with their particular needs. Thus the regional decentralization now underway is only partly driven by nationalist ideas; it is motivated in large measure by the inability of the center to provide proper economic and political leadership.

There exists considerable evidence that Gorbachev appreciates adequately neither the intensity nor the complexity of the nationalities question in his country. He is willing to concede that the republics have some genuine grievances and deserve a greater voice in decision-making, but he has no sympathy whatsoever for separatist tendencies, which he blames on extremists. The separatism of the Russian republic is especially galling to him. To thwart it, he tries one day to undercut Boris Yeltsin, the president of the R.S.F.S.R., and the next to enter into a partnership with him, neither with much success. He has delayed far too long in fulfilling his promise to replace the Soviet Union's pseudo-federalist constitution with one based on republican equality. The need for such a constitution became imperative once the Communist Party was deprived of its hegemonic role. As a result of this delay, separatism has intensified. The proposals for a new union treaty made public in November 1990 might have satisfied the republics three years ago, but today several republics, including Russia, reject them. The process of disintegration has reached a point where

[8] Many Georgians and Moldavians believe that these separatist movements are instigated by Moscow as a means of diverting and blunting their own striving for independence.

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it seems unlikely that a new treaty, no matter how accommodating, will satisfy the more nationalistic republics. Once they insist on separation, they are unlikely to settle for membership in a federalist union.

At the end of 1990 Russia and several of the minority republics are already behaving as if they were sovereign states, insisting on control over taxes levied and resources located within their territories. They enter into diplomatic relations with each other and with foreign powers. Both Yeltsin and the new foreign minister of the Russian republic have made it known that they favor returning the Kurile Islands to Japan, a concession the Soviet government has adamantly refused to make. The most spectacular expression of this self-assertion was the decision of the Russian republic in the closing days of 1990 to withhold from the central authorities 85 percent of the revenues that it had traditionally turned over to them. Each day brings fresh illustrations of the impotence of the central authorities. The Supreme Soviet of the U.S.S.R. declared on October 24, 1990, that its laws take precedence over those of the individual republics. Before the day was through, the Supreme Soviet of the Russian republic reconfirmed that, unless ratified by it, union laws had no validity in its territory. Likewise, the U.S.S.R.'s Supreme Soviet banned counterdemonstrations on the anniversary of the November 7 revolution only to find itself overruled by the city governments of Moscow and Leningrad. Counterdemonstrations did indeed take place in every major city marking the anniversary; those in Moscow were attended by Yeltsin himself.

The Communist Party establishment, along with the army and the KGB, are understandably appalled by these centrifugal forces, for they will be left holding the bag if authority passes from the center to the republics, each with its own economic administration, armed forces and security police. The struggle for the preservation of the union has turned into a fight for the survival of the *nomenklatura*. It is the last line of defense of the embattled apparatus of the old regime. Gorbachev, for all his liberalism, is still the chief of this establishment. And he has made it clear that he is prepared to abandon perestroika, to throw himself into the arms of his conservative opponents, in order to preserve the union and salvage the preeminence of the central government. His military advisor, Marshal Sergei Akhromeev, declared in a somber warning that the armed

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forces will not stand by and watch the union disintegrate.[9] Other high officials and generals have issued similar statements. These warnings suggest that Gorbachev is prepared to unleash a civil war in order to keep the rebellious republics in the fold. It is a war that the central government cannot win; in the long run, it does not have forces adequate to the task and cannot fully rely on its non-Russian troops.

The disintegration of the union, therefore, seems fairly certain, all the more since a substantial part of the Russian population does not wish to remain in it. The possibility still exists that Moscow will come up with a federal constitution to satisfy the republics, but time is running out.

Political authority in the Soviet Union has devolved to the point where the central government can do little more than issue decrees no one obeys and engage in foreign dealings about which no one cares. In the opinion of many Soviet intellectuals, the "Soviet Union" has become a fiction.

IV

Nature abhors a vacuum and politics abhors anarchy. The current situation cannot last because it satisfies no one. Unless the progressive decay of government is to result in the complete breakdown of organized life and turn the Soviet Union into a giant Lebanon, two alternatives appear likely: a gradual evolution of the individual Soviet republics toward self-sufficiency, or a reaction in the form of a coup that will, at least for a time, restore the union and reinstitute central authority by force of arms.

Opinion polls indicate that approximately two-thirds of the population of the U.S.S.R. favor democracy and a free market. At first glance, these figures appear to augur well for the future. They explain why Gorbachev and his associates dare not risk free presidential and parliamentary elections. But, unfortunately, democratic forces are divided and poorly organized. They consist of splinter parties gathered around powerful personalities. Attempts to form larger groupings have failed from lack of effective leadership and the fear that enforcing party discipline will lead to Bolshevik-type regimentation. Democratic politicians have gained control of municipal government in about fifty cities, but they face too many urgent

[9] *Sovetskaia Rossia*, no. 261, Nov. 14, 1990.

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problems to concern themselves with national issues. The political interest excited two years ago by elections to the Congress of Peoples' Deputies has waned because the new institutions brought no improvement in living conditions. People are disenchanted with democracy, perhaps because they had no inkling how much more difficult it is to institute than dictatorship.

Matters do not stand much better in regard to economic questions. In June 1990, two-thirds of the Soviet population expressed a preference for a market economy.[10] Disaggregated, these figures give little grounds for optimism. It seems that by a market economy the respondents mean a system that promises affluence, but not its shadows—social inequality and unemployment. The oxymoronic "regulated market" launched by the authorities corresponds to the wishes of the majority of the Soviet people who want the prosperity of capitalism as long as incomes remain roughly equal and jobs are guaranteed. A mere 28 percent approve of a free market in the true meaning of the words, three percent less than those who prefer a strictly centralized economy.[11] The remaining 41 percent would have their cake and eat it too. Zaslavskaia's polling institute finds that 75 percent of the population resent the owners of cooperative enterprises, the country's incipient capitalists, and the other 25 percent at best tolerate them. Only 32 percent of urban inhabitants want a business of their own; barely four percent of the U.S.S.R.'s 100 million rural inhabitants aspire to become independent farmers. It is her conclusion that the majority of Soviet citizens feels that "most of their daily problems should be decided not by themselves but, above all, by organs of the state."[12]

Such polls suggest that the prospects for political and economic democracy in the U.S.S.R. are not at all promising, and that the conservatives have a bigger potential constituency than appears at first sight. Behind the facade of complete renovation, old attitudes survive, as do the forces that hope to profit from them. The latter bide their time: the greater the disorder and the more disastrous the state of the economy, the better their chances of regaining power.

Of these forces, the most important remains the Communist

[10] *Rabochaia Tribuna*, July 29, 1990.
[11] *Argumenty i fakty*, no. 21, May 26-June 1, 1990.
[12] *Komsomolskaia pravda*, Nov. 30, 1990.

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Party, still the largest organized political force in the country. The party has suffered heavy blows in the past two years, losing its monopoly on political activity and its hold on the state apparatus. It now has to contend with rival parties and elected institutions on national and local levels. Its popularity has suffered a precipitous decline. Members are resigning at an alarming rate: 700,000 turned in their cards in the first eight months of 1990 alone, among them some of the country's preeminent political figures. A current joke in Moscow says that the party is offering dispensation from dues for one year to anyone who enrolls a new member, lifelong dispensation for enrolling two new members and, for three or more members, a certificate attesting that the holder never belonged to the Communist Party. *Pravda*, the party's main newspaper, has lost so many readers that its very survival is in question. Still worse looms ahead. The Communist Party is to give up many of its economic privileges, including exemption from taxes, rent-free tenancy of government buildings and a monopoly on publishing, its principal source of income.

Even so, the party is far from finished. It manages, as it always has, much of the countryside and many provincial towns yet untouched by perestroika. In the provinces, it is said, the regional committees of the party (*raikomy*) are the only effective organs of administration. Compared to the Communist Party's 17 million members, the democratic parties, none of which exceeds 100,000, appear unimpressive.

The greatest source of the party's latent power continues to lie in its command of the armed forces and the KGB. Gorbachev tried to divest the party of its traditional control over the armed forces, but he had only partial success. The Main Political Administration, whose traditional task was to indoctrinate military personnel and keep them ideologically in step, has been reduced to providing innocuous educational functions. But the party retains other means of keeping its grip on the military. For one, 75 percent of the army's officers and 100 percent of its generals belong to the party and are subject to its discipline. Second, the party continues to appoint the commanders of the armed forces. Finally, generals have managed to stave off attempts to introduce political pluralism into the military on the grounds that it would be divisive and destructive of discipline. While Article 6 guaranteeing the party's monopoly on political activity has been removed from the Soviet constitution, it remains intact in the military establish-

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ment. Here the CPSU is still the sole legal political party; since it has cells in all units of regimental size or larger, its hold on the military remains undiminished.

Like the rest of society, however, the Soviet officer corps is politically divided. The higher ranks are solidly conservative; the middle ranks, half democratic; the lower ranks, predominantly democratic. But it is the generals who direct army politics, and in recent months they have been increasingly outspoken in their opposition to Gorbachev's policies. They supported him initially because they realized that the country's deteriorating economic and technological base spelled trouble for the armed forces. What they apparently failed to anticipate was that meaningful enhancements of the industrial and technological base would require severe cutbacks in military appropriations and commitments. They are infuriated by the government's decision to give up eastern Europe, the fruit of Russia's victory in World War II. They despise glasnost, which they fault for the decline of Soviet morale and the rise of "Russophobia." They are appalled by massive draft dodging and by talk of an all-volunteer army. They feel that the armed forces, the mainstay of the regime, have been subjected to humiliations. This kind of open criticism of the government by men in uniform has no precedent in Russian history; it suggests the armed forces have slipped from Gorbachev's control and have made common cause with the most reactionary elements in the party, whose institutional base is the Russian Communist Party.

The KGB has made a rather ambitious bid to polish its public image. But according to a former high officer, Major General Oleg Kalugin, retired in disgrace, its activities have not changed. In sheer numbers, the KGB still exceeds the combined security forces of Europe, America and Asia (excluding China). According to Kalugin, there is not "a single sphere of life which does not feel the presence of the KGB's hand or shadow. . . . When we speak of the KGB's new look, we refer rather to cosmetics, to smearing rouge on the very faded visage of the old Stalinist-Brezhnevite school. The foundations, the methods, the procedures remain the same."[13] Specifically, he and others accuse the KGB of emulating the tsarist Okhrana by placing *agents provocateurs* in democratic and ethnic minority

[13] *Argumenty i fakty*, no. 26, June 30-July 6, 1990.

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movements to sow dissent.[14] It is also believed to sponsor the ultra-conservative and antisemitic Pamiat.

Like the army, the KGB initially supported perestroika; and like the army, it grew alarmed over the scope of the reforms, closing ranks behind party conservatives. With 150,000 reliable troops at its disposal, the KGB has the capacity to quell hostile bids for power and to thwart pressures for genuine democratization.

There are thus formidable reactionary forces arrayed against the fledgling democratic and ethnic movements within the Soviet Union. United by a common ideology—hatred of the West and fear of democracy—these forces bide their time, hoping, as did the communist regime in Poland ten years ago, to give the opposition enough rope to hang itself. From conversations with Russian democratic representatives one gains the impression that, like the leaders of Polish Solidarity in their time, they underestimate the possibility of a crackdown.

There are numerous indications that, in order to prevent the breakup of the union, Gorbachev has indeed begun to move in the direction of a crackdown. On November 17, 1990, he sprung on the unsuspecting Supreme Soviet of the U.S.S.R. a new program to enhance his already formidable powers to rule by decree. Under this new arrangement, the president will directly manage the ministers. The army and police are to be given broad arbitrary powers; the authority that the republics have arrogated to themselves is to be curtailed. These institutional changes have been reinforced by equally ominous shifts in personnel. Vadim Bakatin, the reform-minded minister of the interior, has been replaced by Boris Pugo, a hard-line KGB apparatchik. Pugo's deputy, Army General Boris Gromov, is widely suspected of entertaining political ambitions and is now well placed to deploy the Interior Ministry's several hundred thousand armed men in any future repressive action. The shifts have been interpreted to mean that the KGB and army have taken over the Interior Ministry. One well-informed German journalist has likened these events to the coup d'état of Louis Bonaparte in 1851.[15] It was in response to these ominous developments that Soviet Foreign

[14] *Leningradskaia pravda*, Oct. 21, 1990, cited in *Radio Free Europe/Radio Liberty Daily Report*, no. 214, Nov. 9, 1990.

[15] Christian Schmidt-Häuer in *Die Zeit*, no. 50, Dec. 7, 1990.

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Minister Eduard Shevardnadze resigned from his post, and did so in the most dramatic manner possible, in the hope of alerting his country to the dangers of a new dictatorship. The December 11, 1990, television address by the head of the KGB, Vladimir Kriuchkov, which he stated was delivered on behalf of Gorbachev, was the most disturbing manifestation yet that this danger was genuine. It was the first time since perestroika that a high official of the Soviet government charged Western intelligence agencies with conducting a "secret war" to subvert the country by supporting dissident movements. The implication of these remarks is that the democratic and nationalist opposition is guilty of high treason. If Gorbachev indeed supports these neo-Stalinist views and moves in the direction of a crackdown, he will have to abandon everything for which he has worked since coming into office and revert to the ways of the old regime. It is unlikely that he would be more successful in turning back the clock than Poland's General Jaruzelski was nine years ago. But he may try.

V

The internal situation in the Soviet Union is so fluid and potentially explosive that it is impossible to formulate anything resembling a fixed policy. Trying to do so would be like planning the reconstruction of a city while it is being shaken by a violent earthquake. As long as the direction of Soviet policies changes course almost daily, U.S. policy must of necessity be appropriately flexible. One must be prepared for a range of alternatives, from a complete collapse of authority, through a variety of democratic or authoritarian regimes, to a bellicose military-police dictatorship. For obvious reasons Washington would prefer an integral state, administered by a democratically elected government, enjoying the benefits of a market economy and cooperating in the maintenance of world peace. The probability of the Soviet Union evolving into such a stable and stabilizing partner, however, is low. The forces unleashed by perestroika are unlikely to come to rest in this manner. Western attitudes still reflect the optimism of the early stage of Gorbachev's reforms, but the situation inside the U.S.S.R. no longer justifies these hopes.

American policy must adjust to the fact that Gorbachev is no longer a true representative of his country and that his base of popular support—below 20 percent according to recent polls—is too shallow to ensure his political survival, except as

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dictator. As of now the popular politicians of the U.S.S.R. are, without exception, republican and municipal leaders who seem more attuned to citizens' concerns, among them Yeltsin, who enjoys the backing of over 90 percent of Russians. Gorbachev has emasculated the Communist Party, leaving it to the mercy of extreme conservatives. The state institutions he sought as his new power base have broken up and function only, if at all, on the local level. He has given up the party without gaining an effective state machinery.

Much as he is honored abroad, Gorbachev is increasingly irrelevant at home: nothing short of a coup can restore his domestic power. Such a coup would inevitably entail a radical shift to the right, away from democracy, human rights and the free market, toward some form of authoritarianism employing traditional repressive methods. In other words, if Gorbachev wants to stay in power he has to abandon the reformist program that has brought him such acclaim in the West. The future of democracy in the U.S.S.R. depends no longer on him, since he has no hope of governing by popular consensus: rather, it rests on the survival of republican governments.

The possibility of the Soviet Union reconstituting itself as a unitary state appears slender. It is likely either to break up completely or to evolve into a loose economic community of fully sovereign states on the model of the early EC or the European Free Trade Association. In either event, that which is now the U.S.S.R. will have to be dealt with not only, or perhaps not even at all, through the Kremlin, but by direct contacts with individual entities.

If this assessment is correct—and it is shared by many Russian intellectuals—then Washington cannot continue to act on the premise that the U.S.S.R. alone is a legitimate partner. Whether we like it or not, the power of its central government has already eroded to such an extent that the loci of effective sovereignty are located below the all-union level. This reality calls for a two-track policy: contacts with the Soviet central government on issues that, as of now, it alone is qualified to handle, such as arms agreements, supplemented by direct communication with republican authorities. Foreign powers dealing with the Soviet Union will be well advised to test the shifting balance of power to determine, by trial and error, which institutions—central or republican—are in a position to sign as well as implement political and economic accords.

Notwithstanding several striking concessions on arms reduc-

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tions, the thrust of the Soviet military effort goes on its merry way. Some Soviet economists assert that there have been no meaningful cutbacks and that the military sector continues to enjoy the highest priority in the economy. According to the prime minister of the Russian republic, defense-related industries in the R.S.F.S.R. still account for 55 percent of industrial output; other sources indicate that in Leningrad 85 percent of enterprises form part of the "military-industrial complex." Despite promises of "conversion" from military to civilian production, *Izvestia* reports that defense allocations in the 1991 Soviet budget will rise, especially expenditures for military equipment.[16] None of these figures suggests that the Soviet Union is beating swords into plowshares. The implications of this evidence for the West are evident.

There is clamor in Europe and in certain sectors of American opinion for economic assistance to the Soviet Union to "save" Gorbachev. But billions of dollars in credits are unlikely to keep Russia stable and advancing toward political and economic democracy; its foreign debts have quadrupled from 1985 to 1989, to 85.8 billion rubles, without producing any improvements in the country's political or economic condition. Additional loans liberally advanced from many sources, including such unlikely countries as Saudi Arabia, will only serve to grease the rusty economic machinery that keeps the *nomenklatura* in power and enables it to sabotage reforms. One has only to recall how the tens of billions of dollars in loans granted to Poland, Hungary and Romania in the 1970s were used to sustain decrepit regimes. A group of liberal Soviet economists recently released a document arguing that the best way to help the U.S.S.R. is to refrain from helping it.[17] In any event, as long as the bulk of Soviet industry works for the military, and as long as Moscow spends billions of rubles to prop up communist dictatorships in Afghanistan, North Korea, Vietnam and Cuba, the Soviet government has no claim on help from the industrial democracies. Apart from food shipments, the one acceptable form of economic assistance to the U.S.S.R. is managerial know-how: that is, teaching business techniques to private enterprises and to those republics that have made a commitment to privatization.

[16] *Izvestia*, no. 339, Dec. 6, 1990.
[17] *The Anti-Communist Manifesto*, Lev Timofeyev, ed., Bellevue (WA): Free Enterprise Press, 1990.

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At the same time, strong arguments can be advanced in favor of extending economic aid to the countries of eastern Europe where communist forces have been routed and which present no military threat to the West. These countries may not be able to accomplish the difficult transition to democracy and free enterprise without outside help. The 17 percent vote garnered by the Czechoslovak communists in recent elections and the astonishing showing in the Polish presidential elections by an unknown candidate who promised an economic miracle suggest the possibility of a sudden turn to the extreme left or right. In the countries of eastern Europe with the least developed democratic traditions—Bulgaria and Romania—the risks of economic despair leading to a triumph of extremism, including a return to communist totalitarianism, are very real. Were this to happen, hopes for a reintegrated Europe would be shattered.

VI

Perestroika, reform of the Leninist-Stalinist system, has failed: it has proven impossible to repair the rotten structure. The system is dismantled, but not yet replaced: the six years of Gorbachev's rule have been destructive. We now confront a country in the throes of accelerating anarchy, in which rival forces gravitate to opposite ends of the political spectrum. The democratic elements, having abandoned the leader of the central government, rally around republican figures, notably Yeltsin. Gorbachev's instinct for self-preservation drives him into the arms of conservatives. The only hope for democracy lies in the ability of the republics to assert their sovereignty because those who want the preservation of the union and its traditional institutions require a dictatorship.

The United States and its allies cannot afford to view the Eastern giant as one fewer problem on their foreign policy agenda. We may have won the Cold War, but its consequences will be with us for a long time. It will take decades to overcome the spiritual and material devastation that communism inflicted on the Soviet Union and its possessions. For this reason, we cannot rest on our laurels; the world is entering a new epoch of instability that the Soviet Union, too, will not escape.

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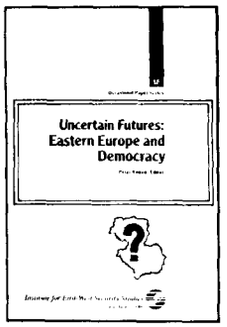

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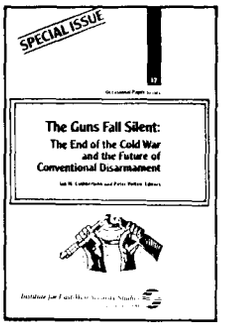

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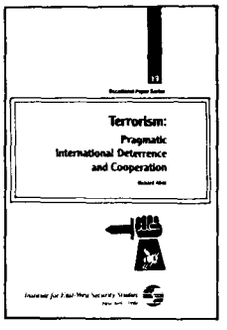

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Coit D. Blacker

THE COLLAPSE OF SOVIET POWER IN EUROPE

Soviet military power has been an enduring preoccupation of U.S. policymakers for better than forty years, its presumed menace one of the great constants of the age. Our understanding of that power and the perceived menace have changed dramatically, however, as a direct consequence of Mikhail Gorbachev's program of radical economic and political reform. Nowhere has the changing face of Soviet power been more apparent than in Europe. The presence of almost 600,000 Soviet troops in Europe symbolized and sustained for several decades the grim reality of the continent's postwar division. Today the partial withdrawal of these forces, coupled with the expectation of additional reductions, signals the start of a new era. With these redeployments begins a period of profound political change in Europe, the most significant, in fact, since the defeat of the Axis powers at the conclusion of World War II.

If the rapid disintegration of the postwar order in Europe took Western leaders by surprise, it stunned, confused and demoralized their counterparts in Moscow. What began as a well-conceived strategy to recast the tone and substance of Soviet security policy in Europe all but dissolved in the face of an extraordinary political upheaval that the Soviet leadership appears not to have anticipated. As a result, Kremlin leaders now confront the virtual collapse of Soviet power on the continent. Moreover, this collapse comes without a corresponding erosion of authority and influence on the part of Moscow's erstwhile adversaries to the west.

Gorbachev and his colleagues did not labor to attain supreme power in the U.S.S.R. only to expedite their country's decline. They were seeking instead to ensure that the Soviet Union would enter the 21st century, in Gorbachev's words, "in

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a manner befitting a great power." But upon assuming power, they discovered their nation's decline was already well advanced, largely as a consequence of a deeply troubled economy. Only through substantial reform, they thought, could this precipitous slide toward economic ruin be halted and then reversed. Exactly how far-reaching that reform had to be in order to accomplish economic renewal became apparent only in retrospect. By that time, however, the process threatened to consume not only the architects themselves, but the very system it was designed to save.

Key to Gorbachev's ambitious strategy was a period of peaceful, evolutionary political change. It was essential that Moscow's allies and adversaries, including the United States, recognize the processes underway in the Soviet Union, welcome and facilitate them, and adjust their own policies accordingly. Since the fall of 1989, however, events have overtaken Moscow's carefully constructed plan for Europe, resulting in a kind of policy "free-fall." Today, the Kremlin leadership has all it can do simply to respond to events as they occur.

II

From the mid-1940s to the late 1980s two goals lay at the heart of Moscow's European policy: to safeguard the territorial and political gains attained at such enormous cost in the final phase of World War II; and to secure admission to, and influence in, the remainder of Europe. Confronted with a cohesive community of Western states able to arrest the advance of Soviet power beyond the line that came to demark the continent's division, the Soviets were forced to settle for their first objective—hegemony in the East—to the long-term detriment of their second—an institutionalized role in the West.

As Europe's de facto East-West split solidified, the Soviets invested significant resources to garrison a community of "socialist" states in Europe, remade in all important ways in the Soviet image. Thus by the mid-1950s, eastern Europe was securely linked to the U.S.S.R. through a complex series of reinforcing bilateral and multilateral ties that affected virtually every aspect of the region's political, military and economic life. Yet Moscow's larger vision of Europe never faded. The Soviet leadership repeatedly in the 1950s called for the convening of an all-European conference to overcome Europe's division, specifically by implementing a multilateral nonag-

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gression pact and a series of bilateral security guarantees. The United States, as a non-European power, was to be excluded from these arrangements. Once in place, the new system would supplant NATO and the Warsaw Pact, and all foreign military forces, including those of the United States, would be withdrawn from the continent. The Soviet Union, then, would be *primus inter pares* politically and militarily.

The resounding lack of support in the West for these initiatives did not deter the Kremlin from offering them, at irregular intervals. At a meeting of Warsaw Pact foreign ministers in Bucharest in 1966 the call went out once again—this time shorn of its blatantly anti-American tone—and the result was different. Much reduced in scope, and with the United States and Canada as central participants, the Conference on Security and Cooperation in Europe finally got under way in the fall of 1972 in Helsinki. That this conference failed, utterly, either to legitimize the Soviet position in eastern Europe or to enhance its influence in western Europe was not apparent to the Brezhnev leadership for a number of years. Soviet leaders at that time looked upon the CSCE as an ideal instrument for attaining a position in European affairs fully commensurate with what they termed the "worldwide shift in the correlation of forces" in favor of the allied socialist states.

What Soviet leaders failed to understand was that, in order for them to reap substantial rewards from détente, the West required a perceptible and sustained reduction in the Warsaw Pact's military threat. It also needed to see a measurable loosening of the Kremlin's political hold over eastern Europe. Absent these steps, Moscow's proclamations of pacific intentions toward the noncommunist states of Europe rang hollow. Moscow's attempts to overcome the continent's postwar schism under a Soviet aegis were thus rendered stillborn.

Between the mid-1970s and early 1980s the Kremlin undertook a far-reaching and expensive effort to modernize its conventional and nuclear military capabilities in the European theater. This move provoked deep alarm in Western capitals. Among other consequences, the Soviet buildup resulted in NATO adopting the Long-term Defense Program in 1978 to enhance its ability to withstand a Warsaw Pact conventional military attack. The following year NATO also made its famous "dual track" decision, in which the Western allies agreed to field a new generation of nuclear-armed intermediate-range

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missiles in Europe if a negotiated solution to prevent their deployment could not be reached.

The Kremlin also continued to lend strong support to the repressive regimes of eastern Europe, most of which did their best to quash the kinds of dissenting political expression supposedly guaranteed by the 1975 Helsinki Final Act. Thus with the rise of the Solidarity trade union movement, the Polish government imposed martial law in 1981 with at least Moscow's blessing, if not at its instigation. By the time Soviet leader Yuri Andropov died in February 1984, the Kremlin's political fortunes in Europe were at their lowest ebb in several decades. The abbreviated tenure of Andropov's successor, Konstantin Chernenko, witnessed only a modest change for the better. The two superpowers announced in January 1985 that they would resume negotiations on intermediate-range nuclear forces and the Strategic Arms Reduction Talks, which the Soviets had broken off 13 months earlier. It was in these far from auspicious circumstances that in March 1985 the Soviet Central Committee elected Mikhail Sergeyevich Gorbachev general secretary of the Communist Party. At 54 years old, Gorbachev was twenty years younger than the man he replaced.

Within four years Gorbachev transformed Soviet foreign policy beyond recognition. In short order he abandoned many of the principles his predecessors had routinely invoked to justify their country's international conduct. He jettisoned as atavistic existing Soviet positions in several arms control settings, including the INF negotiations and START. He also displayed a willingness to entertain foreign-policy outcomes that previous leaders had consistently rejected as detrimental to Soviet interests.

Gorbachev moved with particular alacrity to overturn the Brezhnev legacy in Europe, where twenty years of rigid and shortsighted diplomacy had produced by the mid-1980s a policy conundrum. On one hand, to continue along the present path seemed certain to prolong the impasse in East-West relations. On the other, to change course by acceding to Western demands in INF negotiations, for example, was equally unpalatable: the Warsaw Pact's theater military posture, including its nuclear dimension, was central to Moscow's European policy.

To resolve this dilemma Gorbachev essentially reversed Soviet priorities in Europe. In other words, he placed the

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fostering of fully normalized relations with Western countries, long the second-order goal of Soviet policy, ahead of what had always been the Kremlin's primary objective on the continent, the maintenance of virtually absolute control over the east European glacis.

Gorbachev selected two vehicles to signal this sea-change in policy. The first was the decision to eliminate the Warsaw Pact's superiority in nuclear and conventional military capabilities through a combination of unilateral measures and negotiations with the West. With the successful conclusion in September 1986 of the Stockholm Conference on Confidence- and Security-Building Measures in Europe, the Soviets hinted broadly at their interest in restructuring the NATO-Warsaw Pact balance. They even harkened back to proposals made by the West 13 years earlier in the long-running, and ultimately fruitless, Mutual and Balanced Force Reductions negotiations. This nascent dialogue was furthered in 1987–89 during the so-called Mandate Talks, convened to prepare the way for a new set of negotiations on limiting conventional forces in Europe. At the Mandate Talks the Soviets communicated their readiness to accept military parity "from the Atlantic to the Urals," an offer that, if backed by action, would require them to make deep, asymmetrical reductions in areas of traditional advantage, such as deployed manpower, tanks, armored personnel carriers and artillery.

The Soviets coupled these measures with a series of pronouncements on military doctrine underscoring the "defensive" character of the Eastern alliance. The Warsaw Pact's Political Consultative Committee, for example, declared in May 1987 that "the military doctrine of the Warsaw Treaty . . . is subjugated to the task of preventing war, both nuclear and conventional." The pact also emphasized support for reductions in forces and armaments "down to the level where neither side, in ensuring its defense, would have the means for a sudden attack against the other side, for starting offensive operations in general."[1] Gorbachev then announced to the U.N. General Assembly in December 1988 plans to reduce unilaterally the size of Soviet armed forces by 500,000 troops within two years, including the withdrawal of 50,000 troops from eastern Europe. Thus by the time NATO and Warsaw Pact

[1] "On the Military Doctrine of the Warsaw Pact Member States," *Pravda*, May 31, 1987.

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countries gathered in Vienna in March 1989 for the start of talks on Conventional Forces in Europe (CFE), the Soviets had indeed effected a dramatic volte-face in their European arms-control policy. Moscow had set the stage for what most observers felt confident would be the most productive series of exchanges on East-West military issues in postwar history.

The second signal of the sea-change in policy was the Soviet leadership's decision to encourage a process of indigenous political reform in eastern Europe. This initiative, however, precipitated revolutionary rather than evolutionary change and all but eviscerated the logic that inspired Moscow's initiatives on arms control and defense doctrine. It appears Gorbachev believed he could control and direct the forces of reform in order to produce a fundamentally new political order in Europe—one denoted by greater cooperation and mutual stability.

The Soviet Union's Warsaw Pact allies, however, declined to play the part Moscow had scripted for them. The political disintegration of East Germany in late 1989, followed less than a year later by the unification of the two German states—and on terms set by the Federal Republic no less—was particularly traumatic for the Kremlin. These and other developments in the region constituted mortal blows to the Soviet position in eastern Europe.

III

Given the enormous stakes for the Soviet position in Europe, what possible combination of factors could have impelled the leadership to undertake such a high-risk strategy? The first factor was the continuous decline in Soviet political fortunes in Europe between the late 1970s and the mid-1980s, colored by the gnawing sense that the European military balance was evolving in ways disadvantageous to the Warsaw Pact. The second was the precipitous decline of the Soviet economy.

The Kremlin's position in Europe never looked more secure than in 1975 at the conclusion of the CSCE. Moscow had attained formal Western acceptance of the political and territorial status quo in eastern Europe—or so it seemed—in the first several paragraphs of the Helsinki Final Act. The Brezhnev leadership doubtless also found to its liking the second part of the document, which encouraged the 35 signatories to develop more extensive economic and trade relations. Only

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the inclusion of the call for "the freer movement of peoples and ideas" and respect for fundamental human rights gave Moscow pause. The Soviet leadership appeared to believe that it could look to its stalwart allies in eastern Europe to contain the seemingly moderate pressures for political reform, and thereby extract from the CSCE process most of the benefits and few of the costs.

Ten years later, however, the bargain struck in Helsinki looked very different. While conservative regimes still held sway in eastern Europe, they did so through increasingly repressive measures that widened the gulf between the rulers and the ruled. In Poland that gulf became a yawning chasm, resulting in Solidarity's spectacular rise, and apparent fall, in 1980–81. Elsewhere, most notably in Czechoslovakia and Hungary, governments also found themselves under constant siege from reform elements that drew much of their legitimacy from the phrases embedded in the Helsinki Final Act.

The steady deterioration in East-West political relations in Europe coincided with a highly visible modernization and expansion of Warsaw Pact theater military capabilities. Although not without a certain utility from Moscow's perspective, the buildup all but destroyed any lingering Western optimism about the future of Soviet policy in Europe.

The most potent symbol of what came to be seen as the progressive militarization of the Kremlin's European policy was the deployment, beginning in 1977, of the intermediate-range SS-20 ballistic missile. The Soviets protested that the missile constituted only a modest modernization of its theater nuclear posture and not, as the West claimed, an entirely new threat to NATO. The SS-20 nonetheless provoked widespread consternation within the Atlantic alliance and resulted in its 1979 decision to offset the Soviet deployments by placing American intermediate-range missiles in Europe: the Pershing II and the ground-launched cruise missile. NATO's deployments, however, were contingent on the United States and the Soviet Union failing to reach an agreement to limit these kinds of theater-range nuclear systems.

The dismal state of Soviet relations with the West in the early to mid-1980s constituted an important precondition for change in Moscow's European policy. Whether these factors were seen at the time to be of sufficient urgency to warrant a revolution rather than a simple shift in approach is impossible to know. But the virtual paralysis characteristic of Soviet

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diplomacy during this period seemed to suggest that a revolution was not under consideration. In any event, the problem was bequeathed to a new leadership, which hesitated only momentarily, and then overthrew the entire legacy of its past.

The most salient and time-urgent factor promoting change in Moscow's European policy, however, was the steep decline of the Soviet economy. The cost of maintaining the largest military establishment in the world, including 31 combat-ready divisions in eastern Europe equipped with the most modern weapons the Soviet system was capable of producing, was an enormous drain on the country's industrial and technological resources. As Soviet economic growth slowed during the last decade, the share of the national income devoted to military requirements actually increased. This was true even though the rate of increase in military spending between the late 1970s and the early 1980s was cut in half, from 5 percent a year to roughly 2–3 percent. By the second half of the 1980s, even this modest increase in military expenditures could not be sustained.

Military spending imposed an obvious and onerous burden on the Soviet economy. It absorbed resources that, in the judgment of Soviet and Western economists alike, would have been better spent on the modernization of the country's aging and inefficient industrial, transport and agricultural sectors. To compound the problem, the economic reforms introduced between 1985 and 1989 were extraordinarily costly in material terms, demanding the identification and utilization of additional capital and human resources. For perestroika to succeed the government had to reorder radically the country's economic priorities. One key to that strategy was the reallocation of resources from defense to investment and consumption accounts.

To date the results of perestroika have been disappointing, to say the least. Eagerly anticipated increases in productivity have mostly failed to materialize. This has served in turn to increase the allure of the Soviet Union's own "peace dividend"—the capture for more productive purposes of some of the resources hitherto earmarked for the military. While reductions in defense expenditures of 25 to 50 percent for armed forces and military industries cannot be achieved without significant near-term strategic costs to the Soviet Union, the long-term benefits could be considerable. The current leadership understands this better than anyone. This fact

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partly explains its haste to shrink both the size and attendant costs of Soviet armed forces, particularly those in Europe and Asia. Hard economic necessity, as well as the desire to convince the West of the seriousness of Moscow's "new look," may thus have inspired Gorbachev's dramatic demobilization edict of December 1988 and his assent to the November 1990 CFE accord.

Since many of Moscow's troubles appeared to stem from the decision after World War II to seal off the "socialist community" from contamination by the West, Gorbachev may have considered greater openness to be a solution. Glasnost for the Gorbachev regime has had several distinct meanings. Among other things, it has meant a greater tolerance for diversity in political opinion, a less restrictive cultural milieu, and less secrecy in military and national security affairs. It also implied a new receptivity to social, political and economic forces long deemed subversive to the interests of Europe's communist states. Gorbachev began to speak and write of the importance of "universal human values" in defining Soviet interests and security. He also noted the sterility of such time-honored Marxist-Leninist concepts as "the international class struggle" and "proletarian internationalism." Soviet authorities and academics thus called for "new thinking" in the formulation of foreign policy, and challenged allies and adversaries alike to join in the search for novel answers to old problems.

The use by senior Soviet officials of a vocabulary that their predecessors would have found wholly unintelligible was designed to signal an important departure in policy. The theories and practices of Stalin, Khrushchev and Brezhnev had divided the world into two camps, with each side irreconcilably opposed to the values, purposes and goals of the other. Gorbachev, by contrast, described in February 1986 a world of converging interests, a world both "interdependent" and "integral."[2] Such allusions to the notion of intersystemic integration—the gradual overcoming of the political and economic barriers separating East and West—were for seventy years a cardinal heresy among orthodox communists. That Gorbachev seemed eager to sanction a process of integration reflected his deepening conviction that the Soviet Union would fall still farther behind the rest of the world economically,

[2] Mikhail Gorbachev, "The Political Report of the CPSU Central Committee to the 27th Congress of the Communist Party of the Soviet Union," *Pravda*, Feb. 26, 1986.

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socially and politically if it continued to remain in a self-imposed exile.

Diagnosis, however, is no cure. To end the Soviet Union's isolation Gorbachev needed to sanction the elimination of the twin pillars of Moscow's postwar security policy in Europe: its vise-like hold over eastern Europe and the offensive military posture of the Warsaw Pact. Gorbachev has already completed the first step, deciding not to intervene militarily within eastern Europe to arrest the process of revolutionary change. This decision could not have come easily. But the disastrous state of the Soviet economy, the growing political and social restiveness of its own population and the perceived need not to delay in opening a new and more cooperative East-West relationship all deprived the leadership of any real choice in the matter. The second step is now underway: the complete withdrawal of Soviet forces from Czechoslovakia and Hungary scheduled for mid-1991, and eventually from eastern Germany, as well as the signing of the CFE agreement.

Some Soviet leaders may regret the decisions to accept military parity with the West and to allow eastern Europe to chart its own political and economic destiny. But the process cannot be halted, let alone reversed, at this late date. The issue, then, for Gorbachev and his allies is not how to recover what has been lost, but how to take advantage of the opportunities that induced them to take such an extraordinary gamble in the first place.

IV

The question of cost—measured in terms of lost political control and military potential—must also have figured prominently in the Kremlin's decision to overturn its European policy. By what logic did Soviet leaders decide to run the very real risks that inevitably attend a policy change of this magnitude? What did they seek to gain by eliminating the Warsaw Pact's military "overhang" in Europe? And without it, how would the Kremlin now induce the West to pay sufficient attention to Soviet interests?

The leadership appears to have calculated that the ability to intimidate the West militarily had outlived whatever usefulness it may have once had. Far from advancing Moscow's interests, Western perceptions of the "Soviet threat" had become a net liability. Moreover, if the underlying purpose of Soviet policy had indeed changed, from safeguarding the

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Soviet position in eastern Europe to the far more ambitious goal of fully normalizing political and economic relations with the West, then eliminating the principal source of Western anxiety was a necessary first step.

Especially during the early years of the new policy, the Soviets may have anticipated that the loss of their conventional military advantage could be put to surprisingly attractive uses. Among its potential consequences might be the erosion of NATO unity, the complication of Western efforts to initiate or complete controversial military programs, the undermining of domestic political support for high levels of defense spending, and even the partial withdrawal of U.S. military forces from the continent. These objectives may still hold some allure for Soviet leaders, although the priority attached to them must have declined, as they have been forced in recent months to shift their ambitions from enlisting Western support for the creation of an all-European community of states to staving off the complete collapse of Soviet political and military power on the continent.

Three further considerations probably played a part in the Soviet strategy for retaining influence in eastern Europe. First, by sanctioning the outcome of the Polish "roundtable" negotiations in April 1989 and the results of the parliamentary elections two months later, the Soviet government had communicated its tolerance of far-reaching political and economic reforms in eastern Europe. Even as the Soviets anticipated serious challenges to those communist governments, they may have convinced themselves that a new brand of socialism—cleansed, reformed and renewed—would emerge in the region. Under such conditions, close, if qualitatively different, relations could be maintained between a liberalizing Soviet Union and a newly invigorated community of European communist states.

Second, unless the leadership was prepared to continue indefinitely the de facto military occupation of eastern Europe, some modification of the existing relationship was essential. Compelling the region's allegiance at gunpoint was enormously expensive, both politically and materially. Letting go might be costly, but perhaps no more so than the expense to the Soviet economy of maintaining 580,000 combat-ready troops in the heart of Europe. Assuming a corresponding reduction in the West's military, a significantly smaller Soviet military presence in eastern Europe might be enough to

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protect the Kremlin's essential geopolitical stake in the region. It would also contribute to a more stable East-West balance of power, at lower levels, and save the Soviet treasury tens of billions of rubles.

Finally, some in the leadership appear to have believed that whatever loss of authority the Soviet Union might suffer in eastern Europe would be more than offset by a net increase in its influence in western Europe. This appears to have been at the core of Gorbachev's thinking, for example, when he set forth his vision of a "common European home" in a July 1989 address in Strasbourg, France, to the Council of Europe.

Soviet leaders assumed for forty years that war between NATO and the Warsaw Pact, while perhaps unlikely, remained a possibility. Beyond the imperial function served by the deployment of Soviet forces in eastern Europe, the Kremlin's continental military posture therefore had a clear military purpose: deterring the outbreak of war and, should deterrence fail, terminating war on favorable terms. The Soviet military probably did not have much confidence in an outright victory at any time during the postwar period. Kremlin planners appear to have been keenly aware, for example, of the weakness and vulnerability of the country's industrial, technological and transport systems. The potential for rapid nuclear escalation in Europe further complicated matters, in that it could precipitate a strategic exchange between the two superpowers and deprive either alliance of a meaningful victory.

Warsaw Pact forces were nonetheless structured to permit major offensive operations from the very outset of hostilities. This strategy retarded the country's development by depriving the Soviet civilian economy of precious resources, without which the leadership could not hope to navigate the difficult passage from extensive to intensive economic growth. Soviet decision-makers thus began to reassess fundamentally the military threat in Europe. They arrived at the somewhat paradoxical conclusion, to paraphrase Raymond Garthoff, that as the West had grown more powerful economically and militarily, it had also become less dangerous.[3] Gorbachev and his supporters, embracing this logic, could legitimize an entire series of decisions affecting the size and character of Soviet

[3] Garthoff offered this interpretation at a March 1989 session of the Henry A. Kissinger Study Group on Arms Control, convened by the Council on Foreign Relations in Washington, D.C.

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armed forces that would have been impossible under the old regime.

The leadership's conclusion that war with the West had become a remote possibility generated relatively little overt opposition within the ranks of the military. Soviet military planners nonetheless seemed determined to place their own imprimatur on the notion of "defensive defense." Their concept differed operationally in some important respects from that outlined by senior civilian authorities. To date, however, the Soviet military appears supportive of, if not exactly enthusiastic about, the "new thinking" in defense policy. This suggests an imperfect consensus among civilian and military officials on the need to redefine the size and mission of Soviet armed forces.

V

How much of their original vision for Europe can Gorbachev and his colleagues still hope to see implemented in the months and years ahead? Two factors will be important in determining the Kremlin's relationship to Europe in the 1990s: internal developments within the U.S.S.R. itself and the direction of change in the new Europe.

Seldom has the ability of a country's leadership to conduct an effective foreign policy been so dependent on its domestic condition. The vital question confronting Gorbachev and his followers—beyond their own political survival—is whether economic and political reforms can soon generate sufficient material, social and political rewards to offset their own costs. How this contest plays out will directly influence the development and character of Soviet foreign policy. If, for example, the economy begins to recover and a new political system takes root, the leadership could expect more respect and leverage in its dealings with the West and several countries in eastern Europe. In particular, Poland, Czechoslovakia and Hungary could all look again to the Soviet Union if they come to regard a unified Germany as a mixed blessing. If economic conditions worsen, undermining efforts at political reform and exacerbating already severe national tensions within the Soviet Union, Moscow could find itself less able to shape international and domestic events. This could be true with or without Gorbachev. The Soviet Union, much like the Ottoman Empire, could quickly become a great power in name only, its

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leaders struggling against ever-worsening odds to preserve a modicum of national unity and international autonomy.

Despite the fact that it is now beyond the capacity of Kremlin leaders to determine events in central and eastern Europe, two distinct developments could still slow the rapid erosion of its position. First is the emergence of a viable community of socialist states along the Soviet Union's western frontier, linked to Moscow and one another through a reinforcing series of bilateral and multilateral ties. But this appears unlikely; the extremely low standing of most east European communist and neocommunist parties strongly suggests that reformed socialism is not about to stage a political comeback anytime soon.

A second development that could redound to Soviet advantage is the appearance of a politically active and economically expansionist Germany. East Europeans might seek to balance the growth of German power by cultivating friendly relations with their former oppressors in Moscow. The reluctance of Warsaw to press for the immediate withdrawal of Soviet troops from Poland suggests that steps to guard against possible resurgent German hegemony have already begun. While Poland's position vis-à-vis Germany is indeed special, it is not unique. Many Czechs and Slovaks are old enough to remember the tragic events of 1938 and 1939.

This is not to suggest that a unified Germany must inevitably pose a threat to the security of its neighbors. Recent history indicates just the opposite. But simply by virtue of its economic strength, size and geographic position, the new Germany will deploy greater power within contemporary Europe than any other single actor. Many of the countries of eastern Europe may seek practical guarantees to assure their sovereignty and independence. To the extent that such assurances can be provided by Europe as a whole—for example, through the CSCE—the need for individual guarantees diminishes. Should an all-European solution fail to materialize, however, the return to a balance-of-power system on the continent cannot be ruled out. In such a context the Soviet Union, or at least Russia, could recoup some of the influence it once enjoyed in eastern Europe, albeit on fundamentally different terms.

If the impulse toward economic integration and political accommodation prevails, the association between eastern and western Europe will only strengthen. If this process of greater integration falters, however, new alliances might emerge either to offset or to draw strength from a Germany militarily

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independent of both East and West. A return to an environment akin to the interwar period—with smaller, more temporal and less stable alliances—might make Soviet power once again decisive in Europe.

VI

Extraordinary uncertainties, dangers as well as opportunities, accompany the Soviet Union's radical departures in policy. The impact of the Gorbachev reforms has obviously been far more extensive than anyone could have predicted.

One important and unanticipated consequence has been the rapid decline of strategic nuclear arms control as the centerpiece of U.S.-Soviet relations. Nuclear arms control, for several decades a substitute for meaningful political discourse, has less relevance in a world where politics has been revitalized and the probability of an intentional nuclear war approaches zero. The signing of the long-awaited START treaty would garner far less attention than earlier strategic weapons accords. This complacency toward START, bordering on indifference, is a measure of just how radically world politics has changed.

Whether, or to what extent, Moscow can recover from the loss of its European empire is impossible to predict. In any event, restoration of the status quo ante is hardly an option. But Gorbachev's gamble could still produce dividends for the Kremlin. The loss of eastern Europe could turn out to be a necessary, if expensive, precondition to attaining a more secure place in a Europe that indeed stretches from the Atlantic to the Urals. As the Soviets are aware, however, a united Europe is only one of several possible outcomes. Moreover, there can be no guarantees that such a community would welcome the Soviet Union as an equal partner.

Herein lies the greatest cost to Moscow of the unraveling of its European policy at the end of the 1980s: in losing control of a process they initiated, Soviet leaders are now forced to respond to the actions and decisions of states whose interests may be different from, or even antithetical to, their own. Unless and until the Soviet leadership can regain the political initiative, this unpleasant state of affairs will endure and further undermine its tenuous hold on superpower status. Gorbachev and his colleagues must now ensure that these difficult times constitute the end of the beginning and not, as they must sometimes fear, the beginning of the end.

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Mark A. Uhlig

LATIN AMERICA: THE FRUSTRATIONS OF SUCCESS

By 9:07 p.m. on February 25 it was clear that 1990 would mark a sea change in U.S. policy toward Latin America. At that moment two U.N. computer experts in a windowless room in Managua, processing the earliest returns from Nicaragua's presidential elections, realized that the Sandinista National Liberation Front was heading irrevocably for defeat.

As partial vote tallies were radioed in from mobile U.N. field teams across Nicaragua, the statistical "quick count" initially gave the Sandinistas a wide lead. But as new reports began to fill out the graph on the technicians' computerized projection, the lines representing the contending parties began to waver, then crossed sharply, and finally flattened into an unmoving 13.9-point margin of victory for the anti-Sandinista candidate, Violeta Barrios de Chamorro.

So unexpected was Chamorro's victory—defying the predictions of opinion polls, U.N. observers and even American officials who had sought to bring it about—that the projection was handled with the tense secrecy of a bomb in a crowded theater. As Sandinista crowds gathered in a lighted square just half a mile away for a lavish victory celebration, former U.S. President Jimmy Carter, the most senior member of the combined observer missions, requested an urgent, confidential meeting with President Daniel Ortega Saavedra. Regularly scheduled public announcements of the official government election returns suddenly fell silent. And only at dawn, when a stunned Daniel Ortega conceded defeat over national television, did the electrifying news finally race through Latin America: the Sandinistas had been voted out.

After a decade of bitter American military and diplomatic struggle to uproot the Sandinista revolution, the opposition's sweeping election victory seemed almost too good to be true for U.S. policymakers. Since 1979 Washington's hostility toward the Nicaraguan regime had grown into the single most divisive issue in American foreign affairs since the Vietnam

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War, yielding the same kind of domestic disaffection and ineffective policies. Moreover the conflict had driven and distorted American relations with Latin America and regions as distant as the Middle East, as the White House searched for the means to justify and act on its obsession. From the rise of Manuel Antonio Noriega to the embrace of the Salvadoran army to the militarization of hapless Honduras, the anti-Sandinista struggle had cost America far more than the funds that were squeezed out for it each year in wrenching congressional battles. At its worst the policy had threatened to destroy the president who promoted it; at its best it had failed to work.

Now, under the eyes of international observers invited by the Sandinista government itself, the Nicaraguan people decided their own future against the Sandinistas. Their decision, furthermore, had come in the aftermath of other spectacular changes that seemed to wipe Washington's Latin American slate nearly clean. From Russia to eastern Europe, the collapse of the Soviet empire removed the communist menace that had given meaningful dimension to the perceived Sandinista threat. And one of the worst legacies of America's reflexive search for anti-Sandinista allies—Panama's General Manuel Noriega—had at last been dealt with and was adjusting to life at a federal detention center in Miami.

Almost as quickly as it came, however, America's good fortune began to dissolve. From Managua to Panama City, the problem of how to displace foes and despots gave way to the equally thorny dilemma of what should replace them. Overnight the drama of confrontation was converted into the longer-term conundrum of effective cooperation.

Even before the new Nicaraguan government was sworn in, it became clear that Chamorro and her small circle of advisers did not fully share Washington's approach to a post-Sandinista Nicaragua. Guided by a vision of new national unity and, not least, by lingering fear of Sandinista power, Chamorro's government yielded broad concessions to the outgoing regime, first in transition talks, then upon the threat of unrest bordering on a new civil war. Those policies then provoked right-wing furor from former contra rebels. By the end of 1990 Chamorro's regime was foundering amid economic and political disarray and the misery of a people whose plight seemed changeable, if at all, only for the worse.

The eclipse of new hopes for Nicaragua was paralleled in Panama, where the elimination of Noriega, the renegade

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strongman and former U.S. ally, swept away virtually any form of organized government. Nearly a year after the December 1989 invasion, the new regime of Guillermo Endara remained little more than a caretaker administration, lacking the political strength to restructure the country's bloated bureaucracy or even attend to such critical tasks as restarting the paralyzed criminal justice system. Panama's once-vibrant economy began to regain momentum. But its remote jungle docks and airstrips continued to thrive as a transit point for illegal drug shipments to the United States. National business leaders united in a common front against any increased American access to the secret bank accounts that have made the isthmus a clearinghouse for tax evasion and money laundering. At year's end, President Endara was forced to rely on American troops to put down a quixotic rebellion led by his former police chief, Colonel Eduardo Herrera Hassan.

The changes in Nicaragua, and the Eastern bloc as a whole, also pulled the foundations from under American policy toward El Salvador, where Washington's $350 million a year stand against international communism has been transformed into a permanent subsidy for a savage, strategically unimportant civil conflict.

Having lost its principal foes, both locally and in the once-grand struggle of ideologies, the United States found that it had also lost its principal anchor and guide in dealing with Latin America. Just as the communist menace had never been sufficient to explain the region's problems, its sudden disappearance proved inadequate to resolve them. In a matter of months Washington's greatest Latin American adversaries became its neediest supplicants, joining a lengthening list of regional nations that had staked their economic hopes—and future political stability—on increasingly scarce American aid.

As had become its practice during the changes in eastern Europe, the Bush administration made quick efforts to capitalize on the propitious turn of events in Latin America, hailing a hemispheric rebirth of democracy and declaring, as President Bush put it in a year-end trip through South America, "The day of the dictator is over." Seeking a new framework for its regional policy, the administration announced its intention to establish a free-trade zone that would extend from Alaska to Argentina and initiated talks toward a bilateral trade agreement with Mexico. Militarily, Washington worked to transform the war against communism into greater

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firsthand involvement in the war against a more fashionable—if equally elusive—enemy, drug trafficking.

But despite a new regional appreciation for the dominance of American policy in hemispheric affairs, the organizing concepts of U.S. relations with Latin America seemed almost impossible to identify. And money to meet the growing expectations of America's regional friends was in conspicuously short supply.

After a year of remarkable change and good fortune, America therefore entered 1991 looking backward and relieved instead of forward and prepared. With inevitable, perhaps cataclysmic, change on the way in Cuba, continuing unrest in Nicaragua, El Salvador and Panama and uncertain economic prospects throughout the region, Washington's once-acute concern had been replaced with complacency. The newly resonant chords of the Monroe Doctrine seemed to be laced with a mocking descant from Oscar Wilde: "When God wants to punish you, he gives you what you want."

II

As 1990 dawned in Nicaragua, the relationship between the United States and the Sandinista government could scarcely have been more vividly expressed. The fortified, prison-like American embassy in Managua was surrounded by Sandinista tanks and artillery, dug in as preparation and warning against the U.S. attack that Sandinista leaders expected in the wake of the Panama invasion. In a starkly worded official radio announcement the Nicaraguan defense minister, General Humberto Ortega Saavedra, warned that any American action against Nicaragua would be met with the immediate execution of leading opposition figures.

No American military strike, of course, ever came. But for the Sandinistas the months ahead proved to be far more devastating and unexpected than the surprise attack that they had so long braced to repel.

After years of growing international ostracism and deepening economic hardship, Sandinista leaders had concluded in early 1989 that their only hope of escaping America's powerful military and diplomatic stranglehold was through internationally supervised elections. A certified democratic mandate, they believed, would break Washington's ability to define foreign perceptions of their regime and give them what they openly described as an international "seal of approval" necessary to

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rebuild their economy and bring a permanent end to the eight-year contra war.

The weakness of the Sandinista strategy was its failure to calculate the enormous effect that the war, the economic crisis and the Sandinistas' own authoritarian use of power had already had in undermining public support for the once-popular revolutionary government. By any traditional democratic standard, Nicaragua's deep economic decline, which saw real wages drop by more than 90 percent since the revolution, could have been expected to doom an incumbent government at the ballot box. That vulnerability was then compounded by opposition to the government's unrelenting grip on all aspects of society and economic life and by fatigue with the seemingly endless specter of war.

The Sandinista leadership ascribed virtually all of those troubles to American support for the contra rebel army and the American economic embargo, then in its fifth year. That strategy was sharply and intentionally underscored when, notwithstanding a steady decline in battlefield clashes, President Daniel Ortega refused, four months before the election, to renew a ceasefire with the rebels, hoping that the emotion-laden contra issue would overshadow economic issues in the campaign.

But despite the undeniable importance of American sanctions and the war in sapping national resources and creating the bitter hardships that set the context for the vote, the government's reliance on American hostility as an explanation for the country's problems failed to persuade hundreds of thousands of Nicaraguan voters, even in the once-solid Sandinista stronghold of Managua's working class. Although a steady rhythm of small attacks and counterattacks continued in the countryside, the 18-month ceasefire and the end of direct American military aid to the contras had made the war a less immediate concern for most Nicaraguans than a nearly valueless currency and shattered economy that left many families able to afford just one meal a day. By underscoring images of confrontation, moreover, the Sandinistas' sharp nationalistic message had the effect of dramatizing Nicaragua's isolation, reminding exhausted Nicaraguans that a Sandinista victory might only result in deeper national sacrifices, and alienating youthful voters still vulnerable to the military draft.

After ten years of tight government control and surveillance, Nicaraguans were chary of revealing their true feelings

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to outsiders, beguiling even the most experienced poll takers, whose confident unskeptical surveys gave the world a false impression of overwhelming support for the government.

But on election day the verdict was clear and unmistakable, as voters across the country turned out in record numbers to repudiate the Sandinista regime. From the shantytowns of Managua to the war-torn contra zones in the north, even longtime Sandinista strongholds turned in landslide victories for the opposition. A foreign television team sent to report on supposedly pro-Sandinista towns in the north returned without finding even a handful of voters who had cast ballots for the incumbent regime.

In images beamed from a cavernous Managua restaurant, where her supporters gathered in an all-night celebration, there could be no doubting why Violeta Chamorro was the perfect candidate to turn the discontent of the Nicaraguan people into such a stunning electoral result. The widow of Nicaragua's most famous political martyr, Pedro Joaquín Chamorro Cardenal, Chamorro was less a product of one party than a property of the nation as a whole. With no strong identity or affiliation other than her family name, she combined the presence of an aristocrat with the acceptability of a political tabula rasa. As a silver-haired grandmother and a former member of the Sandinistas' own governing junta from 1979 to 1980, she also deprived Daniel Ortega of a clear target for either political or personal attacks, transforming his tough guerrilla image into a useless, even comical, political liability.

Even before her election victory, however, it became clear that the same qualities that made Chamorro such an effective channel for anti-Sandinista resentment had also set the stage for a far different approach to government than many of her supporters had imagined. Never strongly interested in the details of governing, Chamorro had frequently avoided questions about her economic policies during the campaign by saying that they were "secret," and in an interview denied having any knowledge of her coalition's long-debated campaign platform—ostensibly the basic document of her candidacy. In terms of her political allies, Chamorro was even more removed, depending almost entirely on a tight circle of old friends and personal advisers led by her 43-year-old son-in-law, Antonio Lacayo Oyanguren.

Although her coalition was formally made up of 14 diverse parties ranging from communists to conservatives, Chamorro

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and her advisers made no secret of their disdain for the traditional politicians. That attitude provoked open, at times embarrassing, schisms on the campaign trail, including a highly public shoving match between Lacayo and the chief aide to Chamorro's vice presidential candidate, Virgilio Godoy Reyes, on stage in front of a waiting campaign rally. The split then became even more pronounced when Chamorro formed her government, bypassing her coalition entirely in favor of a technocratic cabinet headed by Lacayo. Vice President Godoy, an old-school politician despised by Chamorro's group, was not granted so much as an office of his own.

From the outset of the campaign, Lacayo, an American-educated businessman who had worked successfully in partnership with the Sandinista regime, had insisted that a government led by Chamorro would not seek revenge against the outgoing Sandinista Front, but rather would try to work with it to build a new Nicaragua based on consensus and national unity. But it soon became clear that the new government intended to pursue that vision with little attention—or even advance notice—to its allies and the public.

After official transition talks in mid-March with the Sandinista military chief, General Humberto Ortega, Lacayo announced that Chamorro's government had agreed to accept continued Sandinista control of the Nicaraguan army in return for Sandinista commitments to permit an orderly transfer of government. The theoretical objective of the agreement from the new regime's point of view was to split the Sandinista Front along its most visible fault line: it yielded military power to the Sandinista faction controlled by General Humberto Ortega and his brother, former President Daniel Ortega, in return for their cooperation in removing Tomás Borge Martínez, the hard-line Sandinista police chief who had often been at odds with the Ortega brothers. But the wisdom and necessity of that trade-off was not immediately apparent to contra rebel leaders and other conservative supporters of Chamorro, who fiercely opposed the pact.

To quell that wave of conservative opposition, Lacayo pledged publicly that no other agreements or protocols that would limit the new government's power had been reached in secret. But government supporters, including the Bush administration, were outraged again when Chamorro, at Lacayo's urging, announced that she had decided to retain

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General Humberto Ortega as her highest military officer in a further step toward national unity.

So fierce was American opposition to that move that President Bush personally called Chamorro in an attempt to dissuade her from it, and sent senior administration officials to Managua to express Washington's deep concern. As late as the night before inauguration day, when the announcement was made, senior American officials privately asserted that the planned appointment was "impossible" and would not happen. Despite that pressure, and the loss of two would-be cabinet members who resigned to protest the decision, Chamorro would not be moved, overruling virtually her entire coalition to retain the Sandinista general.

Chamorro attempted to mollify opposition to the decision by appointing herself defense minister, thus giving herself apparent direct personal control over General Humberto Ortega's decisions. But the emptiness of that gesture was soon made clear with the publication of two new back-dated laws stripping the defense minister of most powers and making the army commander essentially invulnerable to outside control. Among other key provisions, the laws stipulated that the president could replace the army commander only with the next-highest-ranking officer in the existing Sandinista-dominated military *escalon*, or hierarchy, which itself was placed under the direct control of General Humberto Ortega. The laws also granted the army commander exclusive authority over everything from the allocation of the military budget to the signing of military treaties with other countries and even the establishment of private enterprises to support the army's needs.

The impact of such dramatic concessions to the Sandinista leadership was only compounded by the way the new laws were handled within the Chamorro government. Despite the important nature and broad scope of the laws, the number of government officials who were even aware of their existence was exceptionally small. At the time of the laws' publication the only government official who admitted knowledge of their content was Lacayo. When approached for comment, President Chamorro said she knew nothing about the laws, as did her minister of government, Carlos Hurtado Cabrera, whose ministry was responsible for the official legal register and who had served as Lacayo's deputy on the transition team.

Attempting to diminish the importance of the laws, Lacayo

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asserted that they could be altered or reversed at any time by the National Assembly, now controlled by Chamorro's coalition. But in the tense political atmosphere of Nicaragua such a suggestion could hardly be taken seriously. When anti-Sandinista deputies attempted late in the year to reduce the budget of the army by roughly 25 percent, Sandinista officers warned bluntly that the result would be "chaos and bloodshed." In perhaps the clearest glimpse yet of her regime's commitment to accommodating Sandinista power, Chamorro stepped in to veto the measure.

Officially government aides explained such concessions as an effort to seek national reconciliation and unity by working with, rather than confronting, the former Sandinista leadership. But from the beginning it was clear that the new government's actions were also based in a fundamental fear of provoking a violent upheaval by the Sandinistas, whose well-placed supporters made up in militance and organization what they lacked in popularity at the ballot box.

"It was like we were hostages," said one senior member of Chamorro's government, describing his arrival with a handful of other new officials to take charge of the Nicaraguan Foreign Ministry on inauguration day. "We were supposed to be running the place, but we were huddled together in a corner office, completely outnumbered."

Under the terms of the transition agreement Sandinista leaders dismantled the espionage apparatus of the former Interior Ministry, only to reassemble it inside the army under General Humberto Ortega's command. Although Borge left his post without incident, his chief deputy, Lenin Cerna Juarez, was quietly moved to the army, taking with him all espionage and domestic security archives and ensuring General Ortega uninterrupted intelligence capabilities that far outstripped anything available to Chamorro. Even within the remnants of the Interior Ministry, renamed the Ministry of Government, Chamorro's aides estimated late in the year that only 100 of more than 12,000 police officials and other employees had been hired by the new regime and could be counted as loyal to it.

Even before the formal transition agreement was signed in March, the Sandinista leadership made clear its intention to make full aggressive use of its hold on the government bureaucracy and labor unions to enforce its demands on the new regime. In May Sandinista-led government employees

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staged a dramatic week-long shutdown of government offices, winning large salary increases and humiliating the new regime. When a second strike in early July failed to draw similar results, armed Sandinista militants erected street barricades throughout Managua and regional cities, paralyzing the country. Again the government capitulated, granting sweeping concessions that went far beyond mere labor demands to include a direct Sandinista role in future government investment decisions and the gutting of Chamorro's promise to return unjustly confiscated rural lands.

At each turn the government rationalized its new concessions as the unavoidable price to be paid for keeping its hold on power. And it congratulated itself for having avoided any outright mutiny by either the army or the police.

But the opportunity for dramatic postelection changes gradually passed away. From the moment Chamorro took office, many diplomats and conservative politicians had urged her to act decisively in establishing her authority, arguing that any Sandinista revolt against her regime would be met with nearly unanimous international condemnation if not direct military intervention. Chamorro ignored that advice, advancing the somewhat contradictory thesis that the Sandinistas were both interested in true national reconciliation and too dangerous to be provoked. But by the end of 1990 there was little new evidence to support her interpretation. Chamorro and her aides had forfeited the opportunity for change and appeared to be losing ground fast.

Despite substantial new foreign aid commitments that flowed in after the elections, the new government was unable to convert its brief honeymoon with the voters into the kind of decisive economic recovery that might have broken the psychology of inflation and low investment that had gripped Nicaragua throughout the war years. Much of the new aid, which included $300 million from the United States, was siphoned off to pay costly settlements with Sandinista unions, and the impression of chaos and weak authority kept millions of dollars in other investments from ever being sent. By refusing to confront the high costs of the Sandinista military apparatus, moreover, the government effectively put the needs of its adversaries above those of its own constituents, sacrificing vital public investment in order to avoid offending a powerful Sandinista leadership that was only growing stronger in the process.

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Such moves were made with the confident assumption that Chamorro's own supporters would have nowhere else to turn and that, by reaching out to the Sandinistas, the government would gradually expand its base to become the most powerful political force in the country. But the superior organization of the Sandinista supporters gave them strength far beyond their numbers. As early as May, Chamorro's own eclectic base of support began to give way, led by the former contra rebels.

Arguably responsible for forcing the elections that put Chamorro in office, the contra army found itself stranded almost immediately after the vote, which transformed the rebel force overnight from a net asset into a glaring liability for both the new president and the Bush administration. Cut off with only a handful of vague official promises of land and resettlement assistance, the contras disbanded and dispersed in early June. But after the Sandinista protests in July and what the demobilized troops viewed as the government's increasing betrayal of its original mandate, small rebel groups began to reorganize. By late in the year Chamorro was openly at war with many of her former supporters, relying on Sandinista-led troops to put down contra revolts in several rural areas, including a pre-Christmas clash that left 11 people dead in Jalapa, a battle-weary northern town that was a target and symbol of the decade-long contra war.

Perhaps the only unflinching supporter of Chamorro and her policies was the United States, which truly had nowhere else to turn. Aware that it could only worsen the situation by pushing the new president too publicly or by reviving the contra army as a serious form of political pressure, the Bush administration silently swallowed even its bitter objections to keeping General Humberto Ortega. Having lost their struggle to defeat the appointment, American officials abruptly reversed field and attempted to defend it as a demonstration of Chamorro's independence and resolve. Washington then bit its tongue and gamely stood by the fiction that Nicaraguan life was improving.

Nicaraguans themselves were under no such illusions. On the streets, hopes that the country could break its habit of violence and fraternal strife flickered lower with each new confrontation. And the sense among average citizens that they had reclaimed control over their benighted country—a proud heady feeling that was omnipresent during the elections—gave way to disillusion and despair.

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III

If 1990 afforded the United States no lasting escape from its Sandinista antagonists in Nicaragua, it nevertheless started on a more optimistic note in Panama, where the first days of the year brought the final chapter in the long American confrontation with General Noriega.

Under the cover of darkness on the evening of January 3, Noriega, carrying a Bible, walked from the Vatican embassy in Panama City, where he had taken refuge, and gave himself up to American officials in a school playground next door. Searched and handcuffed by American troops, the Panamanian dictator was then transferred by helicopter to a waiting military transport plane for the flight to Miami, where he was booked and held for trial on federal drug charges.

The quiet surrender brought an abrupt end to Panama's enforced isolation from the world community and marked the culmination of the American invasion launched exactly two weeks earlier. The main work of seizing control of the country had been completed in a matter of hours after the invasion began, leaving virtually all of Noriega's key associates dead, captured or in hiding. The capture of the strongman was merely the coup de grace in a battle long since decided.

After two decades of military dictatorship, however, the simple dismantling of the old regime was not enough to bring Panama back to life. Unlike Nicaragua, where the Sandinista presence was to loom as a powerful counterweight to the Chamorro government, Panama had been effectively purged of any strong opponents to the new American-backed regime. But the act of stripping away the old regime had also eliminated the only organized institutions capable of governing, policing and administrating the affairs of the country's 2.4 million people.

Popular hatred of the Noriega regime was so strong and the application of American power so overwhelming that the invading American troops were greeted throughout the country as conquering heroes. But from the first hours of the invasion, when looters rampaged unhindered through Panama City's main shopping district, the issue was not whether the United States could depose the old regime, but whether it could effectively replace it.

In the countryside, where Noriega's military had exercised absolute control, young American soldiers became instant

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arbiters of political character, appointing new mayors and town officials on the basis of snap interviews with bewildered, if delighted, civilian volunteers. Even in towns where those choices succeeded in restoring political stability, the lack of management or administrative ability turned local government into a quagmire of inefficiency and often corruption.

Nowhere was the lack of reliable allies more conspicuous than on the Panamanian-Costa Rican border, where as late as a month after the invasion vital customs and immigration matters remained under the control of a purported anti-Noriega guerrilla group that appeared as if by magic on the day of the American invasion. The group's colorful leader, a self-described Panamanian millionaire, asserted that his 150 heavily armed men, who worked in close coordination with American Special Forces nearby, were Panamanians who had fought a long guerrilla campaign against their country's dictator. But under closer questioning, he acknowledged that the men were based in hotels rather than a jungle bivouac and also admitted that nearly half of the men were not Panamanians at all, but rather Nicaraguans "on loan" from the contra rebel army.

At the national level in Panama City, the United States had pliant ready-made allies in the trio of opposition politicians who had united against Noriega for presidential elections in May 1989. Widely considered the true victors in that vote were Endara, Ricardo Arias Calderón and Guillermo Ford. They were brought on the night of the invasion to an American air base, where they swore themselves in and assumed formal control of the new government.

But with no clear mandate or common ground to unite their parties in the absence of their now-vanquished enemy, the three quickly fell into a pattern of infighting and advantage-seeking that sharply distorted the development of their new regime. Their bickering was only amplified by the impatience and unhappiness of a public that had never had a clear opportunity to choose among their relative policies.

The Panamanian economy began to rebound by the end of the year, recovering much of the decline it had suffered from American sanctions during Noriega's last years in power. But even government supporters acknowledged that the recovery was less a product of official policies than the fruit of eager investments by Panama's private businessmen, looking to regain their markets after years of politically related paralysis.

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In those areas where the government had clear responsibility, the picture was far bleaker, reflecting the divisions and inefficiency of a regime that could scarcely have functioned without the daily advice and guidance it received from American military and civilian support teams. In the urban areas of Panama City and Colón, common crime soared, prompting even many white-collar professionals to carry guns or other weapons when venturing out of their homes. Despite joint American-Panamanian police patrols conducted until late November, criminals carried out increasingly bold thefts and armed robberies, including brazen assaults on crowded restaurants, such as one just half a block from the U.S. embassy where American officials were robbed at gunpoint during dinner in mid-October.

Even more disturbing on a broader level was the noticeable return of drug trafficking to the remote jungles and ragged coastline that had long made Panama a smuggler's paradise. Interrupted by the American invasion, drug smugglers returned to find that the tight control the Noriega regime had exercised over Panama's hinterlands had been broken, with no new authority to take its place. According to pilots and dock workers the level of illegal trafficking by midyear was equal to or greater than that of the final period before the invasion, which had been justified partly as an attempt to crack the regional drug network.

Part of the problem of law enforcement was attributable to the conscious demilitarization of the restructured police apparatus, the Panamanian Public Force. That laudable effort did little to reassure the Panamanian man in the street, and even the government's poor record in deterring or catching criminals was better than its record for processing them after arrest. Left with virtually no reliable judges and a backlog of cases both old and new, the new regime quickly reached a point of criminal justice gridlock. By year's end, the government had more than 17,000 criminal cases pending, yet had not held a single major criminal trial since the invasion. The country's aging jails teemed with inmates, 80 percent of whom were detainees still awaiting trial, and prison escapes and violence reached epidemic proportions.

Panamanians laid much of the blame for their new government's sluggishness and ineffectiveness on inadequacies in the size and speed of American aid to Panama. In March President Endara went on a hunger strike in a rocking chair at Panama

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City's main cathedral to dramatize the plight of Panama's poor during delays in congressional approval of $420 million in aid recommended by the Bush administration. It became fashionable for Panamanians to tell American visitors that the scheduled aid was not aid at all, but "reparations" due to Panama as compensation for the impact of American sanctions against Noriega.

As the shock of the invasion began to wear off, the government and business sectors also began to demonstrate increasing resentment of American demands on the new regime, particularly the prickly issue of a proposed mutual legal assistance agreement designed to grant American investigators freer access to the Panamanian bank records of suspected money launderers and tax evaders. To the outrage of many American officials, Endara's foreign minister denounced the proposed agreement as a violation of Panamanian sovereignty that would destroy the country's role as an international banking haven.

But with little source of visible support other than the United States, Endara's government could scarcely afford to enter into a full-scale dispute with its American benefactors. At year's end the depth of that dependency was underscored dramatically when Endara's former police chief, Colonel Eduardo Herrera Hassan, who had been jailed for insubordination and inciting a coup attempt, escaped and staged an abortive protest with other disgruntled police in Panama City's police headquarters. While Endara remained out of sight, more than 500 American troops surrounded the building, forcing Colonel Herrera into eventual surrender. After 12 frustrating months, 1990 ended in Panama much as it had begun, with the United States using its military power to give Panamanian democracy the chance to put down new, hopefully firmer, roots.

IV

With such complex political legacies and unrestrained appetites for new U.S. aid, neither Nicaragua nor Panama could finally be mistaken for the American success stories that they had appeared to be early in the year.

Even more important was the far-reaching impact that events in both countries, combined with the collapse of the Soviet empire in Europe, had on the broader foundation of American strategy toward Latin America as a whole. By

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eliminating key elements of recent American demonology in the region, the developments in Nicaragua, Panama and the Soviet bloc effectively shattered the interpretive lens through which the United States viewed Latin America.

Washington's crusades against communism, the Sandinista regime and, in the later stages of Noriega's regime, drug trafficking had never been sufficient to explain or understand the complex conflicts confronting U.S. policy in Latin America. But the urgency, simplicity and apparent importance of those campaigns had allowed U.S. policymakers to rely on them as a substitute for more difficult judgments about the merits of the region's problems. For more than a decade, concerns over human rights had been subordinated to geopolitics; social justice had taken second place to mighty clashes of ideology. Now, however, grand strategy had suddenly given way and the blunt battle of us versus them was abruptly replaced with a myriad of detailed judgments: who was right, who was wrong—and should we be involved at all?

The most conspicuous target for a rethinking of past policies was El Salvador, where a perceived last stand against communism had set the United States up as trainer and quartermaster to one of the most demonstrably bloodthirsty regimes in the hemisphere, at a cost that dwarfed American aid programs to far larger, more civilized friends. Without a threat from nearby Nicaragua was there any strategic interest in El Salvador that could justify making it the object of one of the largest American military and diplomatic missions in the world?

The new dilemmas for American policy also stood out in sharp relief in much of the rest of the region, where crucial judgments of development strategy, military aid, commercial relationships and other issues awaited integration into a new analytical framework that Washington had yet to define.

The Bush administration announced plans to lower trade barriers throughout Latin America and to negotiate a free-trade agreement with President Carlos Salinas de Gortari of Mexico. But even in Mexico, where economic issues are inextricably intertwined with the political monopoly of Salinas' ruling party, those agreements were pursued in isolation from their political context. No effort was made to fit them into a broader concept of social development.

With no wider vision the United States thus returned to Latin America from the Cold War unprepared to absorb or interpret trends in regional affairs. Washington's policymakers

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appeared content to sit back and enjoy the fact that for the first time in decades regional nations were lining up for America's blessing. With no clear new course in the fast-changing tides of Latin American politics, however, Washington found that even the symbols of its new power could be turned into a source of confusion and unwelcome political irony.

On July 4, 1990, the U.S. embassy in Managua celebrated with the most elaborate official American party the city had seen since 1979, seemingly reveling in the accession of Chamorro's government. The site of the 1,800-guest party, the former American ambassador's residence, covers an entire hilltop in central Managua and was considered so embarrassingly extravagant that it had not been used as a full-time ambassadorial residence since the Sandinista revolution. But it provided the backdrop for a celebration that included a U.S. Army band, a full-dress Marine honor guard and more uniformed American military officers than the city had seen since the start of the contra war.

The value of the moment was not lost on General Humberto Ortega, who turned the tables on Chamorro's pro-American supporters by requesting, and receiving, his first invitation to such an event. As a U.S. Army drummer beat a martial cadence for the presentation of the stars and stripes and Marine Corps flag, General Ortega and other uniformed commanders of the Sandinista army watched from the formal doorway of the mansion. The U.S. national anthem blared from the hilltop party across the surrounding shantytowns of Managua. Then, confidently, General Ortega raised his hands in applause.

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Steven Mufson

SOUTH AFRICA 1990

In February 1990, twenty-seven and a half years after he was captured by police along a lonely road in Natal province, Nelson Mandela walked out of prison before a live international television audience. While in jail, Mandela had reached the stature of a messiah for many black South Africans. Once released, he became a mere mortal. "Forget the saintly Mandela who was going to soar above politics to bind the wounds of South Africa," said *The Economist*. "That was the invisible, jailed Mandela who lived mainly in the imagination of his hagiographers."

South Africa did not need a messiah. It had had enough of holy war, righteous rhetoric and crusading. What South Africa needed was a pragmatic lawyer to search for compromise.

Within days of his release, Mandela the man proved to be infinitely more useful than Mandela the symbol. Even before setting foot outside the prison farm where he was last held, Mandela helped persuade the new South African President Frederik Willem de Klerk to free most of the leading political prisoners and legalize long-banned political organizations including Mandela's African National Congress (ANC), the Pan-Africanist Congress and the South African Communist Party. De Klerk also lifted restrictions on 33 other groups, including the United Democratic Front (UDF). Three other changes soon followed during the dizzying first eight months of the year: the four-year-old national state of emergency was lifted, the ruling National Party opened its membership to blacks and the ANC suspended its armed struggle.

Something about it all appealed to the human longing for great men and grand gestures. And what better suited duo could there be than Mandela and de Klerk for the final act in a long, bitter morality play.

De Klerk had been a conservative member of the previous cabinet who had championed apartheid and tried to expel dissidents from the country's more progressive universities.

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Then in late 1989 he emerged, Gorbachev-like, from the ranks of the party faithful to renounce a bankrupt ideology and search for a new social compact.

Mandela, with his lack of bitterness, projected an inner confidence and strength. He had first risen to national prominence the same year Dwight D. Eisenhower became president of the United States. Like a ghost from another era, he emerged as a figure out of time. He and de Klerk each hailed the other as a "man of integrity," and they shared a special rapport.

Yet the 1980s had seen the emergence of a grass-roots politics and an unprecedented level of participation by ordinary blacks who were loath to take orders from anyone, be they white police officers or returning political exiles. And among whites, a strong right-wing element appeared determined to stop de Klerk through ballots or bullets. If a new political order is to have any legitimacy, or if it is to have any hope of outliving de Klerk and Mandela, it cannot be a deal between two men, whatever their stature. It will have to take into account a wide range of South Africans and various social and political forces.

Without a sense of these dynamics, it is impossible to interpret events as they unfold in South Africa or to recognize how the United States, now a spectator, might eventually play a constructive role. The South African government is seeking an end to sanctions and the extension of financial aid. The World Bank and the European Community are considering aid plans. This has become possible sooner than expected, thanks to a 1989 U.N. resolution linking the end of sanctions to signs of "irreversible progress" toward the end of apartheid, rather than the actual transfer of power to the black majority. In the coming months Western nations will be asked to judge whether South Africa has, in fact, embarked on such an "irreversible" course.

Despite obstacles, however, the chances of a successful negotiated settlement over the next three years remain high. Though long at odds, the interests of the ANC and the National Party have suddenly converged. They have staked their reputations on finding a negotiated settlement to the racial conflict. Failure to do so would prove their respective left-wing and right-wing adversaries to be correct. Moreover, time is pressing. The National Party, its popularity uncertain, is not planning on ever holding another all-white election, which

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would be required by 1994. The aging members of the ANC's old guard are eager to see, as they said in the 1950s, "freedom in our lifetimes."

II

In retrospect the stage was set for the events of 1990 by two key events in 1989: the election of de Klerk to the presidency and the Harare Declaration by the ANC.

When F. W. de Klerk became National Party *hoofleier*, or leader-in-chief, in February 1989 by beating a more liberal opponent in the party caucus by the slim margin of eight votes, there were few indications that he would undertake sweeping changes. The son of a Nationalist senate president and the nephew of a Nationalist prime minister, de Klerk had been a circumspect politician. A lawyer by training, he was elected to parliament in 1972 for the conservative constituency of Vereeniging and became National Party leader in the Transvaal province after Andries Treurnicht led a right-wing revolt within the party there and formed the Conservative Party. De Klerk's own conservative leanings were an asset in holding the National Party together in the face of Treurnicht's defection.

During his years in parliament de Klerk supported racial separation in labor, denied black claims to permanent residence in "white" South Africa, fought against trade union rights for blacks and against their right to strike, favored separate amenities and separate residential areas for different races, and ardently championed the notion of "own affairs."

Yet it was inevitable that the election of de Klerk as president on September 14, 1989, would at least mark a change in style, if not substance, for the South African government after the autocratic Pieter W. Botha. Botha, a former defense minister, brooked little dissent within party ranks and ruled largely through the military. De Klerk has a different temperament; whereas Botha was inclined to bombastic outbursts, de Klerk is levelheaded. He also has no special ties to the military. He has breathed life into the moribund National Party caucus, placed civilians in charge of the state security council, restored the cabinet to its place as the highest policymaking authority, and dismantled the quasi-military shadow government that had been known under the euphemism "National Joint Management System." He also disbanded the security teams that plotted day-to-day developments in two different situation

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rooms with one of the country's largest collections of Lego blocks.

Nonetheless, de Klerk's great leap toward nonracial democracy remains something of a mystery. De Klerk's brother, Willem, has said the party leadership realized it was in a political "cul-de-sac." De Klerk has told acquaintances that he was motivated by a combination of principle and pragmatism. People underestimate the nature of the spiritual leap that he has undergone, he told an acquaintance in a private conversation last February. A religious person, de Klerk said he had come to recognize the fundamental injustice of apartheid.

His more pragmatic side involves a demographic and economic calculation that, sooner or later, black aspirations would need to be accommodated. The steady crush of black urbanization, the integration of blacks into the skilled economy and the corrosive effect of international sanctions were all pushing in that direction. Within ten years, South Africa's population will grow from about 35 million to 45.1 million, with blacks making up nearly the entire increment. Whereas only 16 million people lived in urban areas in 1985, there will be 35.7 million people living in South African cities by the year 2000. International trade and banking sanctions have not crippled the economy, but they have made it difficult for the economy to thrive. The current debt rescheduling agreement between South Africa and its foreign banks drains about $1.5 billion a year out of the country. Nearly as much money is leaving the country in the form of capital flight by individual white South Africans.

Moreover, political developments signaled the failure of apartheid. A series of coups in the nominally independent "homelands" heralded the collapse of the system that was the cornerstone of grand apartheid. Under that plan, blacks were not considered citizens of "white" South Africa but of distinct ethnic states. One by one, however, the homeland governments tumbled. The Transkei government was overthrown at the end of 1987 by a pro-ANC Transkei army major. On December 1, 1989, 50,000 people rallied in Umtata, the Transkei capital, in support of the ANC. On March 5, 1990, the Ciskei government was overthrown. On April 5 the Venda government was ousted. In both cases, pro-ANC black soldiers took over.

The breakdown of the heavily subsidized homeland system mirrored the crisis in the black townships. Local elections

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failed to produce credible black leadership. Rent strikes and boycotts continued unabated, depriving the government of revenue and flouting its authority.

Once de Klerk accepted the need for eventual negotiations, it made sense to move quickly. White South Africans' bargaining position would only grow weaker with time—and not just because of external pressures. Even within the white *laager*, consensus was crumbling on both the left and the right. The right wing was slowly gaining political strength because of a backlash against relatively modest reforms. In the 1989 elections, the Conservative Party gained 17 seats in parliament and became the official opposition. At the same time the liberal Democratic Party did well, considering that black demonstrations on the eve of the elections frightened many white voters back to the National Party. Overall the National Party's majority was reduced, giving its leaders "a healthy fright," according to de Klerk's brother, Willem.

Aside from the election results, there were increasing qualms among whites about apartheid and the harsh means used to suppress blacks. It has always been part of the peculiar nature of white South Africans that they view themselves as moral people, justifying apartheid as an opportunity for people of different cultures to fulfill their aspirations separately. The brutal methods used to put down the black insurrection from 1984 to 1986 exploded that myth in the minds of white South Africans.

Finally, young South Africans were war weary from fighting in Namibia and the townships. In response to this and the independence settlement in Namibia, one of de Klerk's first measures as president was to reduce the length of mandatory military service from two years to one.

The crisis of confidence spread through the elite institutions of Afrikanerdom. By the time De Klerk was elected, the Dutch Reformed Church had confessed that apartheid was a sin. The Broederbond, the secret society of influential Afrikaners, had established contacts with the ANC and in 1989 came up with a reform plan that envisaged a democratic system that included blacks while protecting group rights. De Klerk, like his predecessors, is a Broederbond member.

In addition, de Klerk told several acquaintances, he was encouraged to act by the collapse of communism in eastern Europe. The rapid fall of East Germany, Czechoslovakia and Romania showed how quickly a seemingly secure system can

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crumble. Moreover, east European countries, the Frontline states in Africa, and the Soviet Union were now all pressing the ANC to make compromises in order to bring about negotiations, strengthening the government's bargaining hand still further.

The ANC also helped set the stage for the events of 1990, perhaps unwittingly, with the adoption of the Harare Declaration in 1989. The declaration laid out the steps that would create "a climate for negotiations": the "unconditional" release of Mandela and other political prisoners, the unbanning of outlawed organizations, the removal of all troops from the townships, a halt in executions, the scrapping of security legislation and the lifting of the state of emergency. At the time it seemed farfetched that the conditions would ever be met and the adoption of the Harare Declaration received little notice.

In the new climate ushered in under de Klerk, however, what initially looked like another pro forma declaration by the movement in exile took on the appearance of a negotiating offer. In his opening speech to parliament on February 2, de Klerk adopted much of the Harare Declaration, only leaving a state of emergency in place in Natal and keeping in jail some ANC guerrillas who were convicted of murder or arson.

Nine days later, Mandela was released and gave a speech in Cape Town that sounded militant by comparison, signaling that he had not compromised himself in order to win his release. "Now is the time to intensify the struggle on all fronts," he said, and added that "the factors which necessitated the armed struggle still exist today."

But Mandela also reciprocated by hinting at the imminent end of the armed struggle. In the middle of his speech, Mandela said armed struggle might not be needed once de Klerk created a climate for negotiations. The steps needed to create such a climate had already been defined by the Harare Declaration, and they were within reach. That nugget was the concession de Klerk wanted.

Mandela also mapped out the course that the negotiating process would take for the next year. There would be preliminary talks to prepare for formal negotiations and to normalize the political situation. Substantive negotiations would take place only after the ANC held a national conference to elect new leaders. The ANC soon scheduled a congress for December and formal negotiations were expected to start in January 1991.

Early in May 1990, representatives of the government and

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the ANC met at Cape Town's historic Groote Schuur residence. They issued a joint statement committing themselves to a peaceful process of negotiation. In a second meeting on August 6, the government agreed to a phased release of remaining ANC prisoners, and the ANC suspended all armed actions "in the interest of moving as speedily as possible toward a negotiated political settlement."

By jointly committing themselves to negotiations, the two longtime foes, the ANC and the National Party, now shared common interests: the achievement of a speedy negotiated settlement to the political conflict, the establishment of peaceful and normal political activity, and the crushing of extreme left- and right-wing militants. There could be no more dramatic demonstration of this convergence of interests than the ANC's call for government troops to be used to restore order in the Transvaal townships in June, just five years after the UDF mobilized township support with the slogan "Troops out of the townships."

Another indication of their common interests was the ANC's changing position toward sanctions. The ANC is likely to call for the phased lifting of sanctions this year. This is in part a recognition of the reality that international adherence to sanctions is crumbling. But it is also a recognition that the ANC increasingly shares the government's interest in promoting growth in the South African economy. If left until the inauguration of majority rule, economic problems will be unmanageably immense. Said a diplomat involved in enforcing sanctions: "The economic crisis of apartheid cannot wait, and it can be more destabilizing than violence."

III

The lifting of restrictions has transformed the ANC and forced it to grapple with a host of issues it could avoid as a banned organization. The most dramatic change was the elevation of Mandela to the organization's leadership. Upon his release, Mandela insisted that he was no prophet, only a mediator. He took pains to emphasize that he had not negotiated with the government, that he had merely discussed issues that would bring about negotiations. But like Cincinnatus, Mandela gained more power by renouncing claims to it. Within three weeks, the ANC national executive committee named him deputy president, and he set off traveling around the world during much of the first half of the year.

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Caught unprepared for life as a legal organization, the ANC set itself three goals: to enlist members, formally bring allied organizations into its fold, and hold a consultative conference at the end of 1990 to give a mandate to its leadership before the start of formal negotiations. The ANC, however, failed to achieve any of these goals. Most surprising, the membership drive lagged. By early December only 150,000 people had signed up. This was barely more than the ANC membership in the 1950s and a fraction of what the ANC's rival Chief Mangosuthu Gatsha Buthelezi claimed to be the membership of his Inkatha organization. ANC organizers blamed the lackluster enrollment on the 12-rand fee required, on fears that possession of an ANC card would risk violence from rival black groups or unreformed police, and on a sense among the people that those who survived the repression of the 1980s did not need to prove their allegiance.

The ANC did make some progress in the formidable task of rebuilding its structure inside the country after a thirty-year hiatus. The Johannesburg Democratic Action Committee, a predominantly white UDF affiliate, dissolved on May 18 and broke up into neighborhood ANC branches. In neighborhoods where the mere mention of the ANC was recently taboo, people now unceremoniously joined branches as if it were the Rotary Club. Some black women's groups merged with the ANC women's federation. The Transvaal and Natal Indian Congress, founded by Gandhi, also voted conditionally to dissolve.

But the ANC failed to absorb most of its allied organizations inside the country. Black trade unions and scores of civic associations refused to give up their independence. The Congress of South African Trade Unions refused to bow to the ANC's moribund and memberless union arm, called the South African Congress of Trade Unions. Recognizing COSATU's strength, the ANC disbanded SACTU. Civic associations and the UDF also refused to disband. Many of their leaders favored dual membership with the ANC.

Although scheduled for December 1990, the ANC's first formal national conference in South Africa in more than thirty years had to be postponed. Only a scaled-down meeting was held. Mandela and other ANC leaders feared that a full national consultative conference would slip out of their control, resulting in the defeat of much of the leadership in elections and in the adoption of hard-line positions on the economy, armed struggle and negotiations. At the end of 1989, during what was

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supposed to be a ceremonial visit by the long-imprisoned Walter Sisulu, discontented rank-and-file members of the ANC in exile asked the newly released Sisulu to shake up the organization and oust corrupt leaders. The organization's number-three official, Alfred Nzo, was considered among those most likely to go down to defeat. "There are too many variables that the movement is not in control of," said an ANC youth leader in exile who would have attended the congress. "The ANC still doesn't know what the outcome of the conference will be and it has got to know what it wants out of the conference beforehand."

The ANC leadership was also unprepared to deal with tough questions about its strategy. Even the scaled-down meeting produced tough challenges over the ANC's negotiating posture and the suspension of the armed struggle. ANC leaders were also seeking to avoid a showdown over their economic policy. For years, the organization had managed to avoid clarifying its 1955 Freedom Charter, which promised that "the mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole." (The Freedom Charter did not actually use the word nationalization.) It was a document that everyone could interpret as they saw fit. Mandela said upon his release that he favored nationalization. Within days, Anglo-American Corporation chairman Gavin Relly, the country's most powerful businessman, visited Mandela in Soweto, a symbol of the shift in power. But in March, the diamond mining conglomerate De Beers moved its corporate headquarters to Switzerland. If a future government chose to nationalize the company, the Swiss-based company would thus retain control of the diamond market and of its mines in Botswana, Namibia and elsewhere around the world. It was a sobering signal to the ANC, and in subsequent meetings the ANC sought to soothe business anxieties.

Beneath the uncertainty over strategy and policy lay more fundamental contradictions in the ANC's role. Was it a political party with a platform or a broad umbrella for South Africans of differing views? During a visit to the offices of *The Washington Post* in June, Mandela said:

> The ANC has never been a political party. It was formed as a parliament of the African people. Right from the start, up to now, the ANC is a coalition, if you want, of people of various political affiliations. Some will support free enterprise, others socialism. Some are conservatives, others are liberals. We

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are united solely by our determination to oppose racial oppression. . . . There is no question of ideology as far as the odyssey of the ANC is concerned, because any question approaching ideology would split the organization from top to bottom.

And yet the ANC could not avoid those questions as people looked toward a free South Africa—and that was straining the organization. In addition the ANC was trying to act as both a party of national reconciliation and a liberation movement. As a result Mandela would pronounce de Klerk a man of integrity who could be trusted while warning at township rallies that the armed struggle could be reactivated. In the space of one fortnight at the beginning of December, Mandela was launching a campaign of mass action (partly to rally support for the ANC among blacks) while telling European countries that there was enough progress in talks with the government to start lifting economic sanctions.

The roles are directly at odds, and the ANC risks being torn apart in two directions. The failure of the ANC and Mandela to resolve those roles will probably remain a persistent problem as they try to reach out to white South Africans without losing their footing among blacks, especially the legions of impatient black youths. Forty-two percent of blacks are below the age of 15, a volatile constituency that no one can claim to control. So far the ANC has finessed the issue by telling black youths that negotiations are simply "another weapon of struggle." The danger is that the ANC will fail on all fronts, that it will instill more fear among whites and will not convince the explosive black youth to go along with negotiations.

Nonetheless the ANC remains the most popular political organization and the one with the best hope of rallying broad support among black South Africans. Its Africanist rivals, including the Pan-Africanist Congress and the Azanian People's Organization, marginalized themselves by refusing to take part in negotiations. Moreover their own organizational problems made the ANC look like a well-oiled machine. Buthelezi and Inkatha remained mostly a regional force in Natal. Although Buthelezi could be a disruptive force not to be ignored, he would never play a unifying role.

IV

At the same time that the ANC and the National Party were preparing for national negotiations, about 40 sets of negotiations were being held at local levels to resolve rent boycotts and

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to merge adjacent white cities and black townships into single municipalities. These talks showed that change was bubbling up from below, not just handed down from above.

They addressed head-on the economic issue of redistribution central to the transformation blacks are seeking. Ending apartheid is about more than a bill of rights or a common voters' roll.

Nothing illustrates this better than the four-year rent boycott in South Africa's largest metropolis, Soweto. That boycott ended September 24, 1990, with the signing of a historic accord by Soweto community councillors, the Transvaal Provincial Authority, and the Soweto People's Delegation. The national cabinet, the state-owned electricity company and the Johannesburg City Council also took part in the agreement. Under the accord, the government agreed to write off 500 million rand in rent arrears, give away state-owned houses to residents, subsidize electricity in Soweto, and form a Metropolitan Council that would oversee the transition to a post-apartheid united municipality for the sister cities of Soweto and Johannesburg.

Long devoid of business districts because of apartheid restrictions on black enterprises, black townships in South Africa are not financially viable. Meanwhile, through labor and consumer power, blacks fuel businesses that subsidize white residential electricity and tax rates. Per unit electricity rates have been significantly lower in wealthy Johannesburg than in poorer Soweto.

The release of Mandela interrupted talks that had been in progress since 1989 over the Soweto rent boycott between the government, the state-owned electricity company and black community leaders. But the talks soon resumed. By July 1990, residents in 49 of the 82 townships in Transvaal province were withholding rent and utility payments. By August, arrears amounted to 1.1 billion rand. The company threatened to shut off all electricity to Soweto by the end of July, but de Klerk intervened and extended the deadline by one month. On the night of August 30, the negotiations came to a successful close, with cabinet-level approval for writing off rent and utility arrears.

While unable to succeed independent of progress in national negotiations, local negotiations can ease the transition to a nonracial society and provide a model for reallocating wealth and reconstructing the apartheid city. This issue is central to

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the creation of a "new" South Africa. "The establishment of a nonracial democratic government is not an end, but a beginning," said Brian Hlongwa, a leader of the South African Youth Congress. "We do not believe in the 'Big Bang' theory that the ANC black, green and gold flag will be raised and all our problems will be solved."

Economic disparity made the South African Communist Party a potential force in a postapartheid South Africa. Indeed, at township rallies in 1990, one of the most popular speakers was Joe Slovo, the good-humored white party chairman whose Jewish family fled Lithuania for South Africa in 1936. When the party made its membership (or at least part of it) public in July, it turned out that many of the country's leading activists were members. Former Robben Island inmate Raymond Mhlaba asserted that 23 of the 33 members of the ANC national executive committee were communists.

Banned in 1950, the SACP was an organization long shrouded in mystery and controversy. Until 1990 its membership and activities were secret. Umkhonto we Sizwe, or the Spear of the Nation, which is commonly considered the ANC military wing, was in fact founded jointly by members of the ANC and SACP in 1961. The party's allies in Moscow and the Soviet bloc were the most consistent donors of money and equipment aside from Sweden. The SACP had been shaped and scarred by the Stalinist era. Its chairman in the 1940s, Moses Kotane, had triumphed in a leadership battle after three rivals were purged during a visit to Moscow; they died in Soviet labor camps. Slovo himself was a defender of Stalin after World War II. "I was a blind defender. I'm deeply ashamed of it now," he told me in an interview in 1987.

In the wake of perestroika and the liberation of eastern Europe, however, the Moscow line changed, throwing the SACP into upheaval. Slovo declared himself an admirer of Gorbachev and endorsed multiparty democracy, a mixed economy and broad-based party membership. Many South Africans doubt the sincerity of Slovo's anti-Stalinist mea culpa and wonder whether the party's belated conversion to political pluralism was real or just the latest Moscow line. Moreover, international turmoil over the direction of communism and its past failures undermined support for the party. Most black South Africans knew little of the collapse of communism, but many key leaders were able to arrange trips abroad. After spending a week visiting Moscow, one rising star within the

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ANC who had been deeply influenced by South African communists while in prison, turned to a traveling companion and said, "They lied to us. All those years . . . they lied to us."

Compared to the ANC, the SACP could enunciate a relatively clear platform, despite being in flux. It favored strong central government and the nationalization of industry. It cemented strong ties to the labor movement. Slovo's personal appeal helped the party tremendously.

The ANC and SACP remained closely associated and allied, but the emergence of a public, independent SACP posed a threat to the ANC in the long run. If the SACP were to break with the ANC to establish its own identity and contest elections, the ANC could lose some of its most popular figures. But if leading communists continued to play a large role in the ANC, then the ANC would have trouble winning white and moderate black support. The question of party membership will undoubtedly become a subtext in choosing an ANC leader after Mandela.

V

Until 1990, the Sharpeville massacre of 1960, when police shot into a crowd of demonstrators killing 67 Africans and wounding 186 others, had set the standard for brutality. In 1990, it seemed, there was the equivalent of a Sharpeville massacre every couple of weeks. But in 1990 blacks died not only at the hands of security forces, but also at the hands of rival political organizations, rival ethnic groups and unknown assailants.

Though violence came from many quarters, the common danger was that it would establish, or already reflected, a "culture of violence" in which killing was the norm and force rather than democratic debate had become the way to resolve differences. The failure of the government, Inkatha and the ANC to end the killing reflected poorly on their commitment to peaceful political activity and on their ability to influence their followers. Perhaps nothing dramatized that impotence more than Mandela's speech on February 25, 1990, in Natal, in which he pleaded with his followers to stop fighting followers of Inkatha and to throw their guns and *pangas* (machetes) into the sea. There were scattered boos and hisses in the crowd and his appeal was ignored. Though the world stood appalled by the violence inflicted by rival black ethnic and political groups, the leading cause of premature death in the townships re-

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mained the government's security forces. Between January and August, 197 people were killed and another 2,490 were injured by police and soldiers.

In addition to shootings at public demonstrations, elements of the security forces were discovered to be running assassination teams, or death squads. In October and November 1989, a former black security policeman on death row confessed that he had been a member of an official hit squad. His story was confirmed by another black police officer and by their captain, Johannes Dirk Coetzee, who fled into exile.

In early 1990, a similar unit in the South African Defense Force, called the Civil Cooperation Bureau, was revealed. The bureau was implicated in 71 murders, including those of white academic David Webster, who had been a member of the Human Rights Commission in South Africa, and of Louis Ribeiro, a respected black physician from the Pretoria townships.

De Klerk appointed Justice Louis Harms to lead an inquiry into the Civil Cooperation Bureau. Harms discovered that the bureau had operated up to 64 offices around the world with about 200 agents. But Harms failed to call key witnesses or obtain a long list of key documents, many of which were probably destroyed. Senior military officers refused to answer questions, defying civilian authority. On July 31, 1990, the government announced that the Civil Cooperation Bureau was "officially" disbanded, but no one was dismissed or disciplined, raising questions about de Klerk's control over the security forces and about their loyalty. Perhaps to ensure the loyalty of right-wing police, de Klerk gave the entire force a hefty pay increase.

But whites alone could not be blamed for the violence in the townships. In Natal, fighting raged between Chief Buthelezi's Inkatha and followers of the ANC and its allies, the UDF and COSATU. The fighting started in late 1987, but it intensified in 1990. By April, more than 12,000 people had fled their homes as a result of the new wave of violence. By September 1990, more than 4,000 people had been killed in Natal since the fighting broke out three years earlier.

Though widely seen abroad as evidence of "tribal" fighting, the violence in Natal was almost exclusively among Zulus. The fighting in Natal was political in nature, involving Zulus from rival political groups and in the process splitting communities and sometimes even families.

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The origin of the antagonism between the ANC and Inkatha goes back more than a decade. Buthelezi had been an ANC member as a student at Fort Hare University in the late 1940s. He later became chief of the Buthelezi clan after consulting then-ANC president Chief Albert John Lutuli. Like many ANC leaders, Lutuli believed the ANC could use such posts even though they required government approval. In 1970 Buthelezi agreed to serve as chief minister of the KwaZulu homeland. In 1975 he founded Inkatha ye Nkululeko ye Sizwe, borrowing the name from an old Zulu cultural society. Though open to all blacks, the membership of Inkatha is almost exclusively Zulu, and its constitution stipulates that its president must be Zulu. This clause violated the spirit of the ANC, which had always strived to transcend ethnicity. Nonetheless, the ANC gave its quiet blessings to Buthelezi's moves, because his refusal to accept independence for KwaZulu threw a monkey wrench into the government homeland strategy. Inkatha also adopted ANC colors and uniforms and KwaZulu schools taught ANC history.

With the radicalization of black youths during the ascendancy of Black Consciousness in the 1970s, the ANC was reluctant to be associated with Buthelezi, who increasingly denounced the ANC's strategy of armed struggle and international trade sanctions, which he saw as disastrous and futile. He portrayed himself as the true heir of the ANC tradition and referred to the ANC as the "mission in exile." The ANC denounced him as a government stooge, which enraged the thin-skinned Buthelezi. The UDF also complained that Buthelezi ran KwaZulu undemocratically; his opponents were prohibited from holding meetings and Inkatha coerced many people into joining. Buthelezi accused UDF "comrades" of intimidation. Tensions rose steadily throughout the 1980s, leading to the outbreak of all-out fighting in late 1987.

No matter how vast the gulf between Inkatha and the ANC, Buthelezi always insisted that he would never join negotiations with the government until Mandela was released. This was due to a lucid recognition that only the release of Mandela could bestow legitimacy to the talks. But it also represented Buthelezi's hope that Mandela would mend fences with him and treat him as a player in the talks.

After his release from prison, Mandela indicated his desire to meet with Buthelezi. While it would not have been sufficient by itself to end three years of fighting, a meeting between

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Mandela and Buthelezi might have helped break the cycle of retribution. But Mandela's plans drew protests from ANC allies in Natal, and he canceled a scheduled meeting and joint rally. Mandela's initial refusal to meet Buthelezi was uncharacteristic of the ANC leader, who had kept in touch with a wide array of black leaders through the three personal letters a month he was allowed to mail while in prison. Later events were to prove the cancellation a fateful error.

In 1990, for the first time, intense fighting between blacks spread outside Natal. The first major incident occurred on July 22, when about 4,300 men wearing Inkatha's characteristic cloth headbands, allegedly backed by balaclava-clad whites, raided a hostel in the township of Sebokeng near Johannesburg following an Inkatha Freedom Party rally at the local stadium. In the fighting that ensued, 24 people were killed. Nineteen were members of a COSATU affiliate, the National Union of Metalworkers of South Africa, who were on strike at two different companies and who lived in two hostel blocks that were singled out. COSATU accused Inkatha, employers and police of being behind the attack. In August and September, clashes spread throughout the Transvaal province, often pitting migrant Zulu workers who lived in single-sex hostels against township residents, many of whom were ANC supporters.

Neither side had clean hands in the spiral of retribution. And as the fighting spread to the Transvaal, it took on ethnic overtones that it lacked in Natal. This aspect is extremely sensitive among black South Africans. The South African government has long argued that the end of apartheid would lead to fighting among black "tribes." Tribalism is a word that blacks see as a way of demeaning African ethnicity and relegating it to a category of barbarism. According to the government, the ANC, with a heavily Xhosa leadership, would combat the Zulu-dominated Inkatha. In fact, while Mandela, Mbeki and Tambo were Xhosa, many other ANC leaders were from other ethnic groups. But township fighting in 1990 was unmistakably ethnic.

To some extent the violence is part of the legacy of apartheid, which relied on migrant labor. Given the prison-like living conditions in the hostels and the isolation from the stabilizing influence of family, it is no surprise that migrant workers are restless. While Soweto's five hostels were built to accommodate 13,000 workers, some estimates of unofficial

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occupancy go as high as 39,000. Overall, about 125,000 migrant workers live in 31 hostels in the various townships east and south of Johannesburg.

In many cases, the cause of violent incidents remained a mystery. For example, on September 13, a gang of men armed with shotguns, knives and pangas methodically and indiscriminately worked their way through a crowded commuter train between Soweto and Johannesburg, killing 26 people and injuring more than 100 others. The day after the train massacre, Mandela met de Klerk and said that the latter had conceded that a "hidden hand" appeared to be at work in the townships. The same day, de Klerk issued a statement saying that "there are forces which do not wish peaceful negotiations to succeed." Blacks even allege they have seen whites in blackface taking part in township battles.

Notwithstanding the statements, the violence in the townships pointed to a failure of political leadership. De Klerk moved slowly to stop the killings; when he acted in Natal, he deployed the "32 Battalion," a largely expatriate unit infamous for its ruthlessness in fighting in Namibia and southern Angola. Black nationalist activists who were veterans of the 1980s complained that the ANC leadership seemed to think it could stop the killings by proclamation. Mandela's futile speech in Natal was one example; Mandela and de Klerk's joint appeals were another. Neither did Buthelezi help to stop the violence. He said that his people were entitled to defend themselves, a thinly disguised blessing for acts of revenge.

On June 1, Oscar Dhlomo, the president of Inkatha and the number-two official after Buthelezi, resigned from the organization. His resignation was a blow to the organization's image because Dhlomo was widely respected among white South Africans and even among Inkatha's opponents. "There are no angels in this violence," Dhlomo said. "Until leaders stop saying that when people are attacked they must defend themselves, there will be no end."

VI

Where does the situation go from here?

Early in 1991, the government and the ANC are scheduled to start formal negotiations on the substance of a new constitution and on how the drafting process will work. The negotiations will take at least two or three years and there will be sharp disagreements all along the way.

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The government's goals in the negotiations are not clear, and in this the analogy between de Klerk and Gorbachev is apt. Each leader has been courageous enough to cast off his party's past, but neither seems exactly certain where he is going. With a near unanimity reminiscent of the Soviet bloc's "reconstructed" communist parties, National Party caucuses in each province rejected apartheid and opened membership to blacks. But that left them without a clear platform. De Klerk has described his vision in broad terms:

> The agenda is open and the overall aims to which we are aspiring should be acceptable to all reasonable South Africans. . . . Those aims include a new, democratic constitution; a universal franchise; no domination; equality before an independent judiciary; the protection of minorities as well as of individual rights; freedom of religion; a sound economy based on proven economic principles; dynamic programs directed at better education, health services, housing and social conditions for all.

While opponents of apartheid agree with many of those principles, there are still important differences. It is not clear how the government hopes to ensure that there will be "no domination" under a postapartheid government. De Klerk has often cited the *Federalist Papers* and James Madison's argument for limits on the power of a democratic majority to impose its will on smaller factions. The fundamental objective of the government was succinctly summed up by a former security policeman, Craig Williamson, who said, "What we are trying to do is make sure that no future government has the power we did."

To some extent, an independent judiciary and a bill of rights would protect the interests of whites and other minorities, based on individual rights rather than group rights. But the government is likely to seek additional protections in the electoral process. A high-ranking cabinet minister has said in private that he hopes that minority groups would have blocking or veto rights under a new constitution on certain sensitive issues, such as education or the shape of the economic system. While he acknowledged that defining those minority groups by race would not be possible, he said it might be possible to define people by "cultural or linguistic" group. He saw the possibility of both common and separate voting rolls. The objective of the group veto, he said, would be to prevent "unsophisticated peasants and poor people from seizing control of a sophisticated economy."

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Those constitutional proposals will clash head on with the ANC's goals. The ANC has long insisted on one person, one vote in a unitary state. It has been leery of any form of federalism and of an "upper house" that would dilute the power of the majority. It sees those measures as ways of protecting white privilege. Some of its supporters, especially in the trade union movement, want a new constitution to explicitly provide for economic redistribution and for nationalization of key industries. The ANC also rejects outright any racial identification in voting and demands the abolition of the Population Registration Act.

Mandela has said, however, that he recognizes the need for structural guarantees that would address whites' concerns about the protection of their rights and security. In that, government officials find some hope that the ANC might be willing to negotiate and compromise.

The two sides must settle other issues too. The ANC wants its military wing merged with the South African Defense Forces, an idea ridiculed by Defense Minister Magnus Malan. Some members of the ANC want a constituent assembly to be elected. But the government has the same problem with that as it does with a straight Westminster-style parliamentary system. As a minority, its views would have no chance of prevailing.

Some ANC members are discussing the idea of a panel of "wise men" who would help to mediate between different parties to the negotiations. One ANC member said that possible candidates for that role could include former parliamentary opposition leader Frederik Van Zyl Slabbert, former Inkatha President Dhlomo and South Africa's current chief justice.

Finally, the National Party and the ANC must find a way of bringing other parties into the negotiations if a new constitution is to be widely accepted. This will not be an easy task. It is not clear what shape a larger table would have or on whose side homeland leaders or Buthelezi would sit, if invited. And the Pan-Africanist Congress, many of whose followers believe in the slogan "one settler, one bullet," is unwilling to join the talks. Despite these obstacles, talks must be broadened. The more people are excluded from negotiations, the greater the threat that they will disrupt a new governing system rather than participate within it.

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VII

Just as important as the nature of the postapartheid state, however, will be the nature of society *outside* the state. Though the South African government has held on to the traditional levers of power—the parliament, military and civil service—in the 1980s it lost its grip on virtually all other aspects of society. South African opposition groups have run trade unions, sports leagues, weekly newspapers, professional and civic associations, women's federations, youth, study and church groups, printing presses, T-shirt factories, think tanks and cultural committees. If such associations and groups can continue to maintain their vitality and independence under majority rule, they can become bulwarks of democracy in a truly free South Africa. Much will depend on what the ANC becomes, and how its relationship with these groups develops.

Within the ANC alliance, organizations have asserted their independence—an auspicious sign for a healthy and diverse political environment to come. Black trade unions, wary of ANC intentions, have vowed to fight to avoid becoming subservient to it, and the ANC has not included trade union leaders in preliminary negotiations with the government. Anglican Archbishop Desmond Tutu had told his clergymen not to take up ANC posts because to do so would compromise the independence of the church. The press, both black and white, has scrutinized the ANC closely. Progressive newspapers critical of the government have also broken stories about ANC detention camps, the misdeeds of Mandela's wife, Winnie, and problems in the negotiating process. Civic associations that formed the core of the United Democratic Front and of the black revolt during the 1980s remain a force. There is a growing sense that civic groups can play a role uniting communities across party political and ethnic lines.

The ANC is gradually adjusting to the views of its independent allies and is changing its view of a postapartheid society. In a meeting at *The Washington Post*, Mandela said: "In the new South Africa . . . parties will be free to form themselves, and the ANC has no right to say to any political party, to any group, that you can only exist if you join us, if you accept us as an embracing organization."

Perhaps the most important contribution Mandela can make to a future South Africa is a sense of restraint reflected in his first speech after his release from prison, when he emphasized

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the need for negotiations to be carried out in a democratic fashion. Since then, however, many of his admirers have been disappointed by his taste for overseas travel, by his move into the ostentatious Soweto mansion his wife built while he was in jail, by what they see as his authoritarian manner, and especially by his attempts to rehabilitate his wife's political career. He has installed her as head of the ANC social welfare department, despite an outcry from ANC branches and from black social workers.

The last of these complaints is the most disturbing. The "problem of Winnie" has plagued the antiapartheid opposition for several years. While Mrs. Mandela won international fame for her brave defiance of the government, her defiance seems more like arrogance in the context of black political organizations. While charismatic, she has rarely participated in community or political organizations. She became intoxicated with the admiration people showed her. While her husband was in jail, she surrounded herself with sycophants and a Mandela "football team" that was little more than a gang of thugs. The team was involved in the assault and murder of a 14-year-old black activist, an incident that prompted the Mass Democratic Movement to distance itself from Winnie Mandela. In early 1989, MDM leaders issued a statement that said:

> The democratic movement has uncompromisingly fought against violations of human rights from whatever quarters. We are not prepared to remain silent when those who are violating human rights claim to be doing so in the name of the struggle against apartheid. . . . We are of the view that Mrs. Mandela has abused the trust and confidence which she has enjoyed over the years. . . . Often her practices have violated the spirit and ethos of the democratic movement.

A Johannesburg prosecutor is planning to try Mrs. Mandela in connection with the earlier assault and murder. She will have the counsel of the country's top political lawyers, but the trial will prove a distraction and an embarrassment, at best.

Establishing limits of power is an important element in the transfer of power. Many white South Africans who suggest this simply want to frustrate the aspirations of blacks and preserve the status quo. But it would be in the interests of all South Africans to leave space for civil society. It is not simply a tool for change; it is the essence of change. As the theorist of the Polish Solidarity movement, Adam Michnik, wrote, "The

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essence lay in the attempt to reconstruct society, to restore social bonds outside official institutions."

No constitutional mechanism can serve as an ironclad guarantee of political pluralism, and the 42 years of National Party rule have not exactly set a laudatory precedent. Protection for the principles of restraint and pluralism can emerge only from practice, not only between different racial and political camps but within them as well. Those principles have been best expressed by Albie Sachs, a one-time Communist Party member and a white ANC lawyer working on the new constitution. Sachs, who lost his arm when South African agents tried to kill him with a car bomb, wrote a speech about postapartheid culture that set off a storm among those with a less tolerant view of the future. He said:

> We think we are the best . . . but this does not require us to force our views down the throats of others. We exercise true leadership by being nonhegemonic, by selflessly trying to create the widest unity of the oppressed and to encourage all forces for change, by showing the people that we are fighting not to impose a view upon them but to give them the right to choose the kind of society they want and the kind of government they want. We are not afraid of the ballot box, of open debate, of opposition. One fine day we will even have our Ian Smith equivalents, protesting and grumbling about every change being made and looking back with nostalgia to the good old days of apartheid, but we will take them on at the hustings. In conditions of freedom, we have no doubt who will win, and if we should forfeit the trust of the people, then we deserve to lose.

If adhered to, such principles can make a new constitution a foundation stone for a new South Africa, rather than just another tombstone.

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Bernard K. Gordon

THE ASIAN-PACIFIC RIM: SUCCESS AT A PRICE

America's motto in the Pacific in 1990 could have been: "If it ain't broke, don't fix it." The region remains America's largest export market ($21 billion larger than Europe in 1989), and its politics represents much of what the United States has long sought: healthy nationalism, pluralism and even democracy in places where not long ago there was mainly military-led authoritarianism and, finally, the absence of any single dominant nation.

Such an environment does not call for major new U.S. initiatives. Instead Washington needs to encourage East Asia's many favorable trends and dampen the few others that could undermine progress. The one exception where the United States did initiate important new steps in 1990 was in Southeast Asia—involving the American presence in the Philippines and a more substantial policy shift in Indochina.

II

The Philippines issue concerns U.S. bases, principally at Subic Bay Naval Station and Clark Air Force Base. Agreements on these installations expire in 1991, and the renewal negotiations have not gone well. President Corazon Aquino's administration is divided on the issue, and despite many years of nationalist campaigns against the bases Philippine public opinion remains decidedly in favor. One poll reported as much as 80 percent for retention, a higher figure than previous polls; this support probably reflects a growing realization of how much the economy will lose if the Americans leave. Twenty-two thousand Filipinos work at the air force base alone, and the Philippine economy, with a $26 billion foreign debt, remains desperate.

Manila's problem is compounded by its partners in the Association of Southeast Asian Nations, who believe Aquino

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and her foreign secretary have missed opportunities to develop broader support for the bases, especially in an ASEAN context. They regard the bases as important for regional stability and are not anxious for an American departure. In that environment Manila's negotiating position has not been strong, while the American side has clearly concluded that if it has to leave the main losers will be Filipinos.

Washington certainly would prefer to retain the installations, but is also reconciled to the prospect that it may not be possible to meet all of Manila's demands. Two concerns stand out: the issue of money and the question of who is ultimately in control at the bases. A Philippine insistence that American aid programs be regarded as "rent" for the bases has been a long-standing irritant, heightened during 1990 when Manila argued there had been a $222 million shortfall. The United States conceded a sum less than half that, and the climate was not helped when President Aquino refused to meet Secretary of Defense Dick Cheney on his visit to Manila in February. The United States is prepared for a 10–12 year phased withdrawal, especially at Clark, but remains very doubtful about the Philippine proposals for shared usage. And in a time of very tight budgets in Washington, there is little support for increased aid to Manila.

Just how strong the U.S. position was became evident in November, precisely when the Manila negotiations were about to resume. First the United States announced that it would withdraw its largest fighter aircraft unit from Clark and would no longer deploy fighter planes in the Philippines. Then, in Tokyo, outgoing Prime Minister Lee Kuan Yew of Singapore and Vice President Dan Quayle signed an agreement providing for regular flights of F-16 and F-18 aircraft to Singapore, as well as some naval maintenance. Several hundred U.S. personnel will now be based in Singapore.

Lee's departure from office will have no impact on U.S.-Singapore relations. The new prime minister, Goh Chok Tong, is his designated successor, and the main consequences of the transition are likely to lie in Goh's less confrontational style, rather than in any foreign policy matters. For years Singapore's leaders have stressed the importance of maintaining an American military presence in the region, and the November agreement has to be seen as a hardball aimed at Manila. To underline the point, similar discussions took place in Thailand and even Brunei. These steps represent both an

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adjustment to new conditions and a firm indication that, whatever happens in the Philippines, the United States does not intend to leave Southeast Asia.

III

A more surprising change came in Indochina. Washington has long opposed Vietnam's 1978 invasion and occupation of Cambodia. It has taken the lead in isolating Hanoi, and in 1982 joined with ASEAN to deny legitimacy to the Vietnam-installed government in Phnom Penh.[1] But in 1990 the Bush administration moved decisively to change its posture. Secretary of State James A. Baker signaled this new approach in Paris on July 18 after a meeting there with Soviet Foreign Minister Eduard Shevardnadze. He announced the United States would no longer support the occupation of Cambodia's U.N. seat by a coalition that includes the Khmer Rouge. More broadly he opened the way for direct political talks with both Phnom Penh and Hanoi. They began in September when Baker met in New York and Washington with Vietnam's foreign minister, Nguyen Co Thach.

These meetings, the first held at that level in 17 years, reflected a substantial departure for the United States. Its significance was underlined in December when Assistant Secretary of State Richard Solomon announced in a speech to Americans interested in trade with Vietnam that the United States would soon be prepared to "formally begin the process of U.S.-Vietnam normalizations." He cautioned that it is likely to be two years away, and depended on several conditions—including Hanoi's satisfactory resolution of the MIA-POW issue and the installation of a democratically elected government in Cambodia. Nevertheless the meaning and scope of the shift in U.S. policy on Vietnam and Indochina is undeniable, and was prompted by three developments: declining support at home for the administration's position on Indochina, significant changes in Southeast Asia and growing optimism about a U.N. plan for a peaceful settlement in Cambodia.

The falloff of domestic support was evident throughout the year. There were several bipartisan efforts in the House and Senate to change the administration's Indochina policy of

[1] For a discussion of the historical background and state of the war, see the author's "The Third Indochina Conflict," *Foreign Affairs*, Fall 1986.

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refusing to deal with Hanoi. The business community also called for an end to the trade embargo with Vietnam. A further rebuff for the administration came in October, in the 1991 foreign aid bill. It authorized $25 million for the non-communist Cambodian resistance, but it also called for an early end to the trade embargo against Cambodia and required an Agency for International Development team to visit Phnom Penh—an act that would help legitimize the Cambodian regime of Hun Sen.

These congressional moves were in part a reaction to signs of a Khmer Rouge military resurgence. With forces numbering 45,000 (including 25,000 armed), it represents the largest and most capable element operating against the Phnom Penh government. At a minimum the Khmer Rouge could continue to wreak havoc in some sectors of the country, and by July it had indeed created "liberated zones" in the north and west. The result was growing fears among Americans that, unless a Cambodian settlement came soon, the perpetrators of the "killing fields" might once again seize power. This concern was heightened in April by a devastating and widely discussed ABC News television program, which criticized the U.S. position and its policy of secret U.S. aid for the Cambodian resistance, broadly implying that some of it was helping the Khmer Rouge. The visibly uncomfortable State Department denial that followed was not persuasive.

The logic behind the administration's policy in Southeast Asia was also being made invalid by events there. Thailand had originally styled itself as ASEAN's frontline state confronting Vietnam, and it was mainly for Bangkok's sake that the United States adopted its hard-line stance in the first place. Yet since 1988 Thailand's aim had been to turn Indochina "from a battlefield into a marketplace." This new approach clearly reflected Bangkok's assessment of a decreasing Vietnamese threat: Vietnam's economy was in shambles, Hanoi's invasion and occupation of Cambodia had cost more than 200,000 Vietnamese casualties, and by 1989 it seemed committed to leaving Cambodia. Secretary Baker acknowledged as much in Paris; when asked about the Vietnamese withdrawal, his answer was clear: "We've now seen that accomplished."

Against this background at home and abroad, Baker's July announcement was both a departure and an adjustment to the

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new realities.[2] Even so, Representative Stephen J. Solarz (D-N.Y.), a principal actor in U.S. policy toward Cambodia, sought to downplay the significance of the Baker announcement. Solarz was deeply involved in the third factor behind the change in U.S. policy—a U.N. plan for settling the Cambodian conflict—and in that context he did not want to signal to Phnom Penh and its Vietnamese supporters that they could now have their way unopposed.

The U.N. proposal, put forward in late August by the five permanent members of the Security Council, is widely seen as "the last best chance" to bring peace to Cambodia. It builds on long-standing Indonesian and other international efforts to end the conflict. All previous efforts foundered because of the deep mutual resentments among the Indochinese parties and their ability to continue fighting. The five-point U.N. approach, which owes much to an Australian initiative, is more ambitious, and aims ultimately at elections to establish a legitimate and neutral government. Until elections can be held, the proposal calls for the establishment of a U.N. peacekeeping force of perhaps 10,000 troops to monitor a ceasefire and confiscate hidden weapons, for a partial U.N. administration, and for the creation of a Supreme National Council that would include all the Cambodian parties.

The costs will be several billion dollars, and the difficulties horrendous. For example, how much will Japan and the United States pay for the international peacekeepers, and from which countries will they be drawn? As the year ended, the Cambodian parties themselves were not at that point; they were still wrangling over who and how many should compose the national council. The Cambodians' distrust was symbolized by the manner in which the parties arrived at a negotiating session in Bangkok: all piled out of one Volvo bus provided by Thailand. That way, the prestige-conscious Thais explained, "everybody arrives first."

At that rate, the Cambodian conflict could continue well into the future, as the "perm five" recognized in late November. They agreed in Paris on the final details of the U.N. plan, having decided that the best way to bring peace to Cambodia was to meet there without any Cambodians. Eight prominent

[2] At their foreign ministers' meeting a few days later, the irritation of the ASEAN ministers was evident. When the Philippines foreign minister was asked whether ASEAN was satisfied with the U.S. explanation, his response was sharp: "Was there any explanation?"

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U.S. senators, including Foreign Relations Committee Chairman Claiborne Pell (D-R.I.) and Richard Lugar (R-Ind.), arrived at a related conclusion; they asked the president to open a new chapter in relations with Vietnam: "We should not allow the prolonged endgame in the Cambodian peace negotiations to prevent us from taking the next step of lifting the trade embargo with Vietnam."

IV

The U.S.S.R. shifted some important policy gears in 1990, not only in Indochina, but in Korea as well. The most striking was symbolized by a June meeting in California between Mikhail Gorbachev and South Korean President Roh Tae Woo, followed by an announcement in September that the two governments would establish formal diplomatic relations by year's end. This was a momentous Soviet decision, especially since it was Moscow that had taken steps to launch a separate state in northern Korea in 1945 and had endorsed its attack on the South in 1950. But it was also a clear indication of the Soviets' hard times: Seoul would provide Moscow with $2.3 billion in loans.

Strong mutual interests will promote the rapid expansion of the Moscow-Seoul relationship.[3] Soviet specialists have long understood that their economy lags behind even such a newcomer as South Korea, and that much can be learned from its export successes and rapid industrialization. They also know that much of what they seek from Tokyo in technical assistance and loans is also available from Seoul. And unlike the Japanese dispute with Moscow over the northern territories, Seoul comes into the picture with few strings attached.

In the context of its still-bitter confrontation with Pyongyang, the most important gain for the South Koreans is the political legitimacy that negotiations represent. What could be a more final imprimatur than Moscow's stamp of approval, reinforced by a burgeoning trade relationship—in which it is South Korea that extends aid to the Soviet Union? Seoul, moreover, needs the business. Inflation and labor costs are up, exports and GNP growth are down, and Koreans fear more trade tensions and growing protectionism in the United States,

[3] For example, *The Wall Street Journal* reported on Nov. 6, 1990, that direct phone links were established between Seoul and Moscow in November, reflecting the fact that in 1990 there were 5,000 calls a month, compared with only four in all of 1987.

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their biggest customer. Reinforced by the ever-present goal of "beating Japan," these realities led Seoul to develop important trade relations with Moscow even before the formal diplomatic connection.

Soviet relations with Japan also warmed during the year. Gorbachev is expected to visit Tokyo in April 1991—the first trip ever by a Soviet leader—and there is much anticipation over the outcome of the northern islands issue. Tokyo has long sought the return of all four groups of islands north of Hokkaido, but Moscow rejects outright any discussion of the issue. There was some signaling of a possible change, however, when Foreign Minister Shevardnadze visited Tokyo in September. An unofficial Japanese delegation to Moscow followed up on those rumors and reported that the U.S.S.R. would indeed return Shikotan and the Habbomai group, the two southernmost territories.

That statement was quickly denied by the U.S.S.R., possibly because it may remain undecided on the issue or may want to bring this as a gift when Gorbachev visits Tokyo. More likely the Soviet Union has not yet given up on its long-standing attachment to a "system of collective security" in Asia. Moscow would expect Tokyo's participation, which would provide a face-saving exchange for an arrangement on the islands. For the United States the "collective security" proposal will again require careful scrutiny, unless one believes that Russian geography and history and an entire generation of Soviet foreign policy positions on the Asian-Pacific region can be discarded.

The big losers from the shift in Soviet policy have been its erstwhile allies in the Pacific: Vietnam and North Korea. Hanoi's increasingly desperate situation has led Moscow, which is experiencing its own economic hardships, to reassess their relationship. The Soviet Union has largely vacated its large installations at Cam Ranh Bay, although flights and ship calls continue. Vietnamese-Soviet ties were never very close in any case, but the departure of the Soviets and their subsidies will only further underscore the exceedingly dismal prospects of the Vietnamese economy. That realization was reflected late in the year when Hanoi hinted the United States could now again use the facilities at Cam Ranh Bay—for a price.

On the Korean front, Moscow's diplomatic connection with Seoul was particularly galling to Pyongyang, but North Korea has exceedingly little to bargain with. Yet the U.S.S.R., not

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wanting North Korea to entertain any rash new thoughts about striking at the South, has continued to supply Pyongyang with weapons. Even so, Moscow's decision to provide MiG-29s is best understood as a "golden handshake."

Partly as a result of the Soviet changes, talks begun in 1989 between the two Koreas sharply accelerated in 1990. The animosity between these two is deeper than exists almost anywhere else, but their high-level meetings in 1990 nevertheless must be regarded as historic. In July they agreed that their prime ministers would visit each other's capitals, and meetings of several days followed in September, October and December. The major significance of these meetings so far is that they were held at all, the first two under relatively civil circumstances. The December sessions were marked by a return to sharp acrimony, partly reflecting Pyongyang's anger that even as their prime ministers met, President Roh of South Korea was pictured smiling in Moscow with Gorbachev. Nevertheless the two sides will resume their meetings in 1991, but there are three important caveats.

First, these are not presidential visits between the effective leaders of the two states. Second, while the South wants to promote nongovernmental ties (as in Europe's "confidence-building" measures), North Korea insists no progress can be made until the South breaks its ties with the United States and American forces leave. Last, the two countries face very different circumstances. Seoul is far wealthier, it is being openly wooed by Moscow and Beijing, and it is an increasingly significant factor in world and Asian affairs. In contrast, Pyongyang's isolation becomes more apparent every day, and its military strength—its principal asset—is in relative decline as the weaknesses of its Soviet supplier become equally apparent. Such circumstances, in which one party perceives that time is on its side while the other has reason to suspect that its best days are gone, can be incendiary. Pyongyang's refusal to sign a nuclear safeguard agreement with the International Atomic Energy Agency underlines that point.

The result is that few South Koreans want U.S. forces to leave. In a recent poll, two-thirds say the United States should stay until South Korea can defend itself, and a fifth do not want the Americans out until unification. That is the good news. The bad news is that trade tensions threaten to disrupt U.S.-Korean relations, and there is a growing view that the United States bears considerable responsibility for Korea's

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division in the first place. That sentiment is common among younger Koreans, helped along by scholars who should know better.[4] Both issues feed South Korea's rising anti-American sentiment and reinforce Pyongyang's siren song: if only the Americans would go, we Koreans could get together again. Seoul will be challenged to stave off that North Korean campaign, as will the United States, if Seoul decides the American presence is ultimately counterproductive.

V

China, in its gerontological immobility, experienced relatively little change in its Asia policies in 1990. Yet like the U.S.S.R., it moved, though much more slowly, to improve ties with South Korea and even Vietnam. And as in the Soviet-Korean case, mutually beneficial factors played an important role. Just how much China stands to gain was illustrated last fall by the Asian Games, held in Beijing. Korean firms spent about $15 million for billboard space, its tourists packed Beijing's hotels, and its automobile manufacturers donated 400 cars to help transport the athletes. Like Moscow, Beijing knows how much it can achieve by improving ties with Seoul, especially in terms of investment and joint ventures, but it also wants to avoid any further alienation of North Korea. Indeed Kim Il Sung took his case to China's leaders just before the Asian Games. The dimension of China's problem is reflected by the fact that trade with South Korea (through third parties) totals about $3 billion—five times the amount of trade with the North.

South Korea wants to regularize these arrangements and, as it did with Moscow, will continue pressing for formal diplomatic ties. For the time being, the two agreed in October to establish trade and consular offices, under euphemisms that pretend the two governments are not directly involved. Even so, one of Deng Xiaoping's sons, Deng Zifang, recently visited Seoul to discuss economic ties, and while neither the father nor the son holds any official Chinese position, the message was lost on nobody.

More slowly and with less enthusiasm, there are also signs of

[4] Korea's division is described as "a result of the great power rivalry between the United States and the Soviet Union" in a recent Asia Society publication (*Asian Update*, October 1990). The reality is that the 1945 partition was solely for the purpose of accepting Japan's surrender.

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improvement in China's relations with Vietnam. Here the issue is one of improving already existing diplomatic relations, which have been in a deep freeze since the late 1970s. Hanoi and Beijing bring a thousand years of troubled history to their relationship, made worse in the past decade by three factors: Vietnam's invasion of Cambodia, China's own "punishment" invasion of some northern Vietnamese provinces soon after, and their rivalry ever since over which party should control Cambodia.

Nevertheless Sino-Vietnamese talks to improve ties shifted to a higher gear in 1990. In June a senior Chinese official visited Hanoi; in September Vietnamese party leader Nguyen Van Linh led a high-level "secret" visit to China; and the famous military leader Vo Nguyen Giap, now holding the honorific role of deputy prime minister, went to the Asian Games. All this led Vietnam's foreign minister to announce in late October that the Chinese and Vietnamese communist parties had settled on the process of full normalization. Speaking in Tokyo (itself an indication that Vietnam's isolation was over), he remarked that once the Cambodia agreement is signed, "I hope that I could visit Beijing."

In the bilateral Sino-U.S. relationship, while many in Congress and the public remain angry over the Tiananmen Square massacre, the administration continues to nurture the wounded relationship. A principal sanction of the Bush administration—the suspension of arms sales—remains in effect, but in fact and in rhetoric, American policy has been shaped by the president's view, as expressed by Deputy Secretary of State Lawrence Eagleburger in February: "He knew . . . that we had only limited leverage on the Chinese leadership."[5]

China has taken steps to ameliorate America's anger, but very much at its own pace. It continues to insist that any bilateral difficulty is entirely Washington's fault, and many of those arrested in the wake of Tiananmen (some of whom face grave charges) are still imprisoned. Nevertheless large numbers were released in the spring, and that continued all year. Similarly, other sticking points were resolved: China lifted martial law in Beijing, announced that it was no longer selling medium-range missiles to Syria, and allowed the return of the Voice of America correspondent, along with Peace Corps

[5] Statement before the Senate Foreign Relations Committee, Feb. 7, 1990.

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volunteers and Fulbright scholars. Finally in June the prominent dissident and astronomer Fang Lizhi was allowed to leave China and given safe passage to England from his refuge in the American embassy.

The Bush administration responded by lifting its opposition to large-scale loans to China, both by the U.S. Export-Import Bank and by the international lending agencies. Likewise, there were substantial sales of U.S. grain to China, and while few U.S. business representatives returned to China, trade in general continued to rise to an estimated $21 billion in 1990, from $17.7 billion in 1989 and just about double the amount in 1987. And while Congress repeatedly tried to force the president to discontinue most-favored-nation (MFN) status and provide sanctuary to Chinese students in the United States, its efforts failed.

China raises a question as old as American foreign policy since the First World War: What is the best way to deal with a nation that is repressive, dictatorial and often at odds with the United States? Since Nixon's time the answer has been simple: narrow the foreign policy differences, encourage internal change and, most important, avoid steps directly counterproductive to American security. The last has always been the most difficult because of China's capacity, if not for extending influence, at least for troublemaking. And while it is true that the United States does not need China today as a strategic counterweight to the U.S.S.R. (American administrations always denied it ever did), Washington nevertheless has adopted foreign policies that continue to make it dependent on Beijing.

The Indochina issue is the most obvious illustration. Because Beijing has been the principal arms supplier and political advocate of the Khmer Rouge, no effective settlement of the Cambodia conflict could be reached without China's assent. This gave China the effect of a veto, even before its permanent membership in the Security Council formalized its veto power in the context of the U.N. plan. Since China (and the Khmer Rouge) have not been anxious for a settlement, and since the United States committed itself to Vietnam's withdrawal from Cambodia, the continued importance of Beijing's approval to the United States has been assured.

Washington has achieved the same dependence on Beijing in the gulf crisis, through its emphasis on Security Council support for resolutions condemning Iraq. True, the United States has also sought Soviet cooperation there, but Moscow's

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assent stems largely from its own desire to reduce regional tensions and thereby restrain its military budget. In contrast, China goes along, as in Indochina, because it has little to lose and much to gain. It wants to reduce the ability of President Bush's domestic critics to argue that he has "coddled China" and received nothing in return, and it particularly wants to avoid losing MFN status and suffering other sanctions called for in Congress. Largely for these reasons, Beijing has not opposed the Security Council's resolutions on Iraq.

But because of the asymmetrical importance to Washington and Beijing of the Iraqi and the Vietnamese withdrawals, China continues to extract a high price for its cooperation. Taiwan's application to rejoin the General Agreement on Tariffs and Trade provides illustration. On fairness grounds alone, and also for more practical reasons, American opinion supports Taiwan's membership. With more than $11 billion in U.S. imports, Taiwan is among America's ten largest customers and has become a major factor in world trade. It also has a large trade surplus with the United States, which the U.S. trade representative is anxious to reduce through GATT negotiations. But the State Department needs China's vote in the United Nations, and China opposes GATT membership for Taiwan.

Beijing's veto power will give it disproportionate leverage in American foreign-policy making as long as the United States continues to "need" China, whether in connection with Cambodia, or in cases involving a U.N.-centered "new world order." The point was underlined in November, one day before a critical Security Council vote on Iraq. The State Department announced that Foreign Minister Qian Qichen was coming to Washington for talks with Secretary Baker—and President Bush, as it turned out—even while insisting that this was not a departure from its sanctions policy against official exchanges. A State Department spokesman explained: "We have vital issues with China right now, in the Persian Gulf and with the progress on Cambodia."

VI

Japan, ironically, has no such leverage in the United States. It is seen increasingly as a "problem" by Americans and, unlike China, it has no executive branch advocates to publicly champion its cause. The irony is even greater because Japan has so closely responded to American demands: its defense budget is now among the world's top five, it is the world's largest aid

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donor, and its trade with the United States is much more favorable to Americans than daily headlines suggest.

Consider these trade facts: Japan is America's best overseas customer by far, second only to Canada. Its imports from the United States totaled $44.5 billion in 1989, and are rising very sharply: up 18 percent from 1988–89 and 34 percent from 1987–88. Those figures are much higher than the growth of Japan's exports to the United States. Moreover 60 percent of those U.S. sales were manufactured goods, and half of those were "hi-tech" products. This means that in 1989 U.S. manufactured exports to Japan totaled $27 billion—higher than U.S. exports to Germany and France combined.[6]

Critics invariably point to Japan's trade surplus—it sells more to Americans than it buys from them. But America's population, its market, is more than twice as large, and a per capita comparison shows that each buys about the same amount from the other: in 1989, $374 in U.S. imports from Japan per capita, and $360 in Japanese imports from the United States.

None of this has made much difference in the worsening U.S.-Japanese relationship. The reason is the broad American suspicion that Japan does not behave fairly, whether in trade, technology transfer, defense burden-sharing or the costs of U.S. forces there. A threat from Congress in September to begin withdrawing American forces until Japan paid "all" the costs brought this outburst from the chief of Japan's Defense Agency: "The U.S. Congress lacks common sense. Japan did not ask for the stationing of the U.S. forces. We will have to say 'Please return the forces home'." Japan now pays for almost 40 percent, or $2.8 billion, of the cost of U.S. troops stationed there, and within two to three years will be paying essentially all yen-related costs, leaving the United States to pay only for Americans' salaries.

Yet there is little indication that American-Japanese ties are headed for anything but more trouble, as three developments in 1990 illustrate. The first, designed to tackle the trade problem, was the July report of their "Structural Impediments Initiative" (SII). This effort reflected the diversity of the two economies. America's economy, especially since the 1940s, has been consumer-oriented: it is characterized by discount stores,

[6] All trade data from the U.S. Commerce Department, *U.S. Foreign Trade Highlights*, 1988 and 1989.

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low-margin retailing with few "middlemen," and 24-hour shopping. Japan approximates what shopping was like in America two generations ago: neighborhood "mom-and-pop" stores with fixed prices set by the producer, and normally five distribution steps between producer and consumer.

These are truly structural differences that the SII sought to resolve. The United States requested that Japan change its laws and practices to become more like America, while Japan—influenced by American economists—urged the United States to become more like Japan. Thus Japan should allow more large retailers, expand public works, end the cozy relationships among firms in allied industries (the *keiretsu*), change land-use practices so more people can buy homes, and strengthen antitrust measures. For its part the United States should reduce its federal deficit, save money and invest in industrial research and development, promote exports, and improve education to become more competitive globally.

Major agreements on these points were announced in April, and Japan has already begun to allow more large stores to operate. Similarly, when President Bush met with Prime Minister Toshiki Kaifu at the Houston economic summit in July, he pointed to his struggle with Congress to reduce the budget deficit. But these are cosmetic efforts. In reality, Americans want lower budget deficits and improved education for their own reasons. Likewise, Japanese want lower land costs because few now can expect to buy a home, and different retailing practices because a Nikon can be bought for less in New York than Osaka.

The deeper failing of the SII is to raise hopes for a quick fix in the U.S.-Japanese trade deficit. Because its main purpose—to move the trade issue from page-one coverage—is unlikely to happen anytime soon, the probable outcome of the SII will be to further aggravate the growing ill will between the two sides. In Japan the SII conveys once more America's presumptuousness and suspicion regarding Japan. It is presumptuous because Americans seem to believe they can tell Japanese how to organize their internal affairs. It reflects the American suspicion that Japan is intentionally structured to keep out foreigners, when for the most part Japanese business and merchandising practices stem from roots established long before today's trade disputes were even on the horizon.

The same mind-set, but with more poisonous consequences, led to the disastrous FSX controversy. This grew from a

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Japanese desire, no doubt fueled by its heavy industry, to build its own next-generation fighter aircraft. Responding to congressional and industrial fears that Japan aimed to enter the commercial aircraft business, President Reagan persuaded Japan to drop that idea, and instead to jointly develop a new aircraft—the FSX. While much hard feeling developed on both sides, the result was a coproduction agreement between General Dynamics and Mitsubishi Heavy Industries. What then happened was a textbook illustration of how allies should not behave.

After being elected president, Bush demanded that the just-settled FSX agreement be renegotiated. That too was done, although it is difficult to exaggerate the extent to which leading Japanese were now convinced that Americans simply did not trust Japan. The American side has insisted that critical navigational software be withheld from Japan, and it further believes that Japan will not genuinely share its newly learned technologies, especially in composite materials. By the end of 1990 intense mutual suspicion placed the entire project in jeopardy. Even if FSX fighter aircraft are produced, each will cost $64 million—much more than initially projected—and will probably be nearly obsolete when built. Beyond the waste of money, the greater waste will have been in an even scarcer resource: mutual trust among allies.

The third illustration of troubled U.S.-Japanese relations stems from Washington's campaign against Iraq. Tokyo quickly agreed to help defray the embargo-related costs of neighboring nations, but its offers were sharply criticized in Congress as insufficient. Even its promise of $4 billion has been denigrated; critics commented that Japan was willing to spend money but not blood. Prime Minister Kaifu then proposed sending Self-Defense Forces personnel, though not from active-duty units. After more domestic criticism, he proposed sending SDF personnel for nonmilitary support. That effort also failed and indeed backfired. In Japan he was portrayed as a doormat for either President Bush or Japan's "militarists," or both. Ultimately, the Japanese parliament refused to authorize any militarily significant personnel, to which an American officer responded, "We have enough cooks and drivers already." The result has been a political disaster for Kaifu, another setback to U.S.-Japanese relations ("proof" that Japan receives unfair alliance benefits) and, to the Japanese, another indication that nothing they do is enough.

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VII

Precisely because the Asian-Pacific region today reflects so much that the United States has long sought there, American policy now needs to be sensitive to the pitfalls of success. With regard to America's military posture in Asia, the Defense Department has begun that process in a report that Under Secretary of Defense Paul Wolfowitz sent to Congress in April. Titled "A Strategic Framework for the Asian-Pacific Rim," it called for "reappraisals of our national security objectives in Asia and the force structure required to meet them." It is a model document—sensitive both to developing Asian realities and to enduring American interests.

Beyond the specifics of military policy, a similar rethinking is needed for the overall U.S. approach to the region. It will reflect the reality, as Assistant Secretary Solomon remarked in November, that "we live at a time when geopolitics is being shaped by geoeconomics." America's Asia policy should be based on that new reality, and guided by the following points:

—Japan's alliance with the United States is the key to every other issue of Asian stability, from nonproliferation to a reduction of trade tensions. Yet trade tensions are deeply poisoning U.S.-Japanese relations today, and ways must be found to heal the wounds. An immediate framework in which the United States and Japan can begin that healing process might be found in the new Asia-Pacific Economic Cooperation effort. Launched in Canberra in November 1989, APEC is intended to foster a wide range of Pacific-region economic cooperation measures. Among the fields included are trade, investment and economic policy coordination.

It is encouraging that follow-up meetings of APEC already have been held, and that Secretary Baker—who sees it as a way to achieve OECD-like cooperation in Asia—attended APEC's first meeting. He called it an "idea whose time has come," because Asia's intensive economic interactions also carry within them the seeds for much dissension. That conflict is precisely what the United States must avoid in the Pacific, and why Washington has agreed to host APEC's fifth ministerial conference and wants to include China, Taiwan and Hong Kong. APEC should now be given the highest priority in Washington and Tokyo.

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—The collapse of the GATT "Uruguay Round" in December will heighten the importance of regional economic arrangements, and APEC in particular, in fields such as service and intellectual property where GATT has been stymied. The GATT framework may be revived, at least in the short run, but the United States should be prepared with eventual alternatives. These alternatives must include a better understanding of the gains and losses from potential free-trade arrangements in the Pacific. In particular a U.S.-Japan free-trade arrangement needs to be given new attention, as former Ambassador to Japan Mike Mansfield recommended several years ago. Preliminary studies have already been undertaken with regard to a U.S.-ASEAN free-trade arrangement, and it is now time to intensively explore arrangements with others. APEC can provide that framework.

—Since sharp changes in Korea would prompt major reassessments elsewhere, notably in Japan, the United States must maintain a very close security relationship with Seoul. Rapidly growing tensions rooted in trade and economics must therefore be contained and reduced. Integrating Korea with regional economic cooperation and APEC may best achieve that effort. Nevertheless a U.S.-Korean free-trade arrangement should be explored.

—As Gorbachev stressed in a speech given at Vladivostok in 1986, the Soviet Union is no less a Pacific nation than is the United States. The task for the United States is to assure that this Soviet commitment is realized in ways consistent with the continued open nature of the Asian-Pacific region. Soviet proposals for a new collective security system do not achieve this goal, but American policy can, by working for eventual Soviet involvement in APEC and other steps toward regional economic cooperation in the Pacific.

—Similar thinking needs to be extended to China. It will remain a very underdeveloped economy for a long time, but will retain considerable ability to undermine, especially with regard to Taiwan and Hong Kong, essential steps toward regional economic cooperation. The United States can neither adopt a posture of benign neglect toward China nor simply oppose its expectations. Instead it must encourage China to seek greater integration with

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the outward-looking economic policies on which most nations in the region have already embarked.

Of course there is a thicket of problems here, and doubts have been expressed about free-trade arrangements in the Pacific because of the wide differences in levels of income and development between the United States and several Pacific economies. But no such obstacle has been raised in the path of the U.S.-Mexico arrangement called for by President Bush, or similar proposals from several South American leaders. Free-trade arrangements in the Pacific, whether bilateral or under an APEC umbrella, promise even greater benefits because they will be based on trade patterns between the United States and the East Asian economies that are already more intensive than anywhere else. The free trade issue is not one of economics narrowly construed, but of politics and political will.

The perfect as the enemy of the good is a familiar danger in politics, and it is the challenge for the United States today in the Pacific. Much that has been sought has been accomplished, but it is the United States itself, more than any other single factor, that is liable to sour the already-good environment Asia now represents. In Vietnam, in the Philippines, and hopefully in Korea, American policy has begun to indicate it recognizes that danger. Now it must take the next step, and press ahead with regional economic cooperation. That will help defuse the trade tensions that now threaten its most important political connections.

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C. Michael Aho
Bruce Stokes

THE YEAR THE WORLD ECONOMY TURNED

The world economy has turned on the United States.

After an unprecedented seven years of peacetime growth, aided by declining real energy costs, cheap capital and, in recent years, expanding export markets, the free lunch ended. In 1990 U.S. economic expansion ground to a halt. Rising oil prices, a spreading capital shortage, tightening credit markets and the deadening burden of massive accumulated public and private debt took their toll. Moreover, frictions in the world trading system threatened to make the current recession one of unexpected length and depth.

Throughout the postwar period, the United States was accustomed to being master of its own economic fate. As the world's predominant economic power, America had the authority to mobilize other industrialized economies in time of crisis and to act unilaterally if necessary to protect its interests. But Washington and New York, once the world's preeminent political and financial capitals, must now share the spotlight with Tokyo, Bonn, Frankfurt and London. In this new multipolar economic world, the United States is still the first among equals. But it no longer has the moral authority or the economic leverage to dictate the course of events. Leadership has of necessity become a collaborative effort. European and Japanese economic and political concerns now place real limits on U.S. action. The U.S. economy and American economic decision-making must now be adapted to an emerging global economy that no longer revolves around the United States.

The waning of the Cold War has changed the environment for U.S. policymaking. The internationalism of the Bush administration is frequently at odds with domestic isolationist elements on both the right and the left. In the past, foreign economic objectives were often subordinated to security concerns in a desire not to alienate allies. But without the

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constraint of the Cold War, America will not be as reluctant to aggressively pursue its economic goals. At the same time, it will have less leverage because Europe and Japan are less reliant on U.S. military protection. As a result, a more assertive America will confront a more assertive world, a prescription for confrontation.

II

The American economy emerged from the 1980s basically strong, but with some profound weaknesses. The dramatic rebound from the depths of the 1981–82 recession and the economy's prolonged period of recovery raised hopes that the tyranny of the business cycle had finally been broken. The structural reformation of the economy—downsizing of whole industries, creation of new jobs—surpassed all expectations. Expanding exports cut 40 percent off the 1987 peak of the current account deficit, the broadest measure of America's international financial health.

But recovery had a price. To fund its twin deficits, in trade and the federal budget, America went on a borrowing binge in the 1980s that left it the world's largest debtor nation, owing nearly three quarters of a trillion dollars. While the economy was more than capable of financing its obligations, the debt nevertheless constrained U.S. economic policy options. The federal budget deficit limited Washington's ability to use fiscal policy to pull the country out of an economic downturn, and the need to continue to attract foreign capital to balance international accounts hobbled the use of monetary policy to stimulate the economy.[1]

Previously autonomous decisions on domestic economic policy thus became hostage to international developments. It was no coincidence that President Bush's decision in the summer of 1990 to reverse his "no new taxes" pledge came only days before completion of the Structural Impediments Initiative talks with Japan, in which the United States was obligated to demonstrate a willingness to reduce its budget deficit. The Federal Reserve's reluctance to lower U.S. interest rates, put off until mid-December despite mounting signs of recession, reflected worries that high interest rates in Europe

[1] For an analysis of the legacy of the 1980s, see C. Michael Aho and Marc Levinson, "The Economy After Reagan," *Foreign Affairs*, Winter 1988/89.

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due to the cost of German unification would further slow the flow of capital to the United States.

The internationalization of the U.S. economy in the 1980s brought great benefits, but it also carried a cost. The bill has now come due.

III

The end of America's free ride on energy was one of several shocks to the U.S. economy in 1990. Iraq's invasion of Kuwait shattered the peace that prevailed in world energy markets since the mid-1980s. After declining 27 percent from January to June 1990, energy prices soared in August and fluctuated wildly in subsequent months.

The immediate impact of the price hike was devastating, because by 1990 the United States was importing virtually half of all the oil it consumed. Higher oil prices, like higher taxes, reduce aggregate demand in importing countries like the United States, Germany and Japan. They also increase inflation. A $10 rise in the price of a barrel of oil drains up to $80 billion from the American economy and, after the initial price shock reverberates through the economy, it translates into a two percent rise in prices. This, in turn, causes interest rates to rise and exports, recently the driving force of the American economy, to decline.

The industrial world was not the only casualty of the oil shock. Eastern Europe and much of the Third World were harder hit. Oil at $25 a barrel quadruples eastern Europe's oil import bill, making the region's economic prospects even more problematic. Higher oil prices may benefit oil-producing countries like Mexico and Venezuela by raising their export revenues, but the vast majority of indebted Third World states suffers. Higher interest rates increase debt-servicing costs for most Third World states, and slower worldwide economic growth reduces their markets for exports. With oil at $25 a barrel, heavily indebted nations lose about ten percent of their export earnings.

The political and diplomatic implications of these developments have only begun to be played out. The need for a steady flow of cheap oil from the Middle East has led to unprecedented U.S. military intervention in the region. The prospect of prolonged regional instability, even after the crisis is resolved, portends a permanent U.S. presence. The United States failed in the late 1980s to take advantage of economic

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growth and low oil prices in order to diversify its energy sources. This failure may dictate future U.S. military and diplomatic initiatives that were nearly unthinkable not long ago.

The Persian Gulf crisis and higher energy prices also threaten to undermine Washington's key strategic relationships. Already threadbare relations with Japan could further deteriorate. Although far more dependent on Middle East oil than the United States, Japan has been a reluctant supporter of U.S. policy in the region. Washington's pressure on Tokyo to send troops to Saudi Arabia has created a reservoir of ill will. That animosity could easily spill over to other issues between the two nations, even forcing a major Japanese reassessment of the security relationship. Higher energy prices could also indirectly strain relations with the European Community. As the energy crisis adds new stress for the already fragile democracies of eastern Europe, they are likely to place a new premium on closer ties with the EC. If those new relationships effectively discriminate against U.S. trade and investment, friction will inevitably ensue between Washington and Brussels.

Such dire prospects naturally depend on future trends in oil prices. Prices came down in December 1990 as the world oil market reestablished its equilibrium. Increased production by the Organization of Petroleum Exporting Countries (OPEC) offset the oil lost due to the U.N. boycott of Iraq and Kuwait. Moreover, higher prices and slower economic growth sapped the world's oil demand, and a million-barrel-a-day surplus was expected in the first quarter of 1991. Oil's supply-and-demand problem, in the short term, appeared to be solved. But this balance was fragile and extremely vulnerable: the aftermath of the war in the Persian Gulf or increased demand due to cold winter weather could send prices spiraling again.

IV

A global capital shortage, accompanied by a tightening of bank credit, was the second great shock to the American and world economies in 1990. Viewed from a macroeconomic perspective, much of this shock was a simple rebalancing of the global financial system. After running up a huge current account deficit in the 1980s, while Germany and Japan amassed surpluses, the United States was finally forced to try to balance its books. But a simple accountant's view belies the

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pain of that adjustment and the new economic and political relationships it engenders.

As their current account surpluses shrank, Asia and Europe emerged in 1990 as America's major competitors for world capital. Thus whereas trade was the primary source of friction among nations in the 1980s, in the 1990s it is likely to be capital. The competition for capital will increasingly sow international discord between the United States and its bankers: Japan, Germany and OPEC.

The U.S. economy, long a magnet for capital, lost its attraction. America's capital needs and economic policies no longer determined global capital flows. In the first half of 1990, for the first time in seven years, private investors took more money out of the United States than they put into it. Japanese investors led the way out the door. Notwithstanding some highly publicized takeovers, such as Matsushita Electric Industrial Company's $6.3 billion buyout of communications giant MCA Inc., Japanese investors withdrew almost $19 billion from the U.S. economy in the first nine months of 1990. Japan itself was simply a better investment opportunity. The Japanese economy was growing twice as fast as America's and had every prospect for relatively strong expansion in the years ahead. Moreover the Bank of Japan's effort to try to control inflation brought Japanese interest rates within one percent of our own, a difference hardly worth the exchange rate risk to potential investors.

Europe also became a capital sponge.[2] EC investors poured almost $35 billion in new investment into the United States in the first nine months of 1989; in the first three quarters of 1990 they invested less than $11 billion. The impending creation of a single market in western Europe kept private European money at home and caused foreign capital to flow in. As a result, fixed business investment in Europe is expected to more than triple between 1985 and 1995. Additionally, German public demand for capital mushroomed to pay for the costs of unification: rebuilding eastern Germany's public infrastructure, raising its worker productivity, holding down unemployment by subsidizing jobs, and absorbing debts of former state-run firms. The German public sector deficit thus rose to 110 billion Deutsche marks in 1990, from 26 billion in

[2] See Bruce Stokes, "Trans-Atlantic Shock," *National Journal*, April 21, 1990.

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1989, increasing competition for credit and raising the cost of money.

The competition for capital was compounded by a global tightening of credit as banks hunkered down. Japanese banks, which provided 16 percent of U.S. commercial loans in the late 1980s, were buffeted by the collapse of the Tokyo stock market. Consequently, in the first half of the year they repatriated assets and held off new loans. The money problems of U.S. banks further complicated the situation. Loan portfolios were suffering from "adverse selection": Latin American loans left over from the late 1970s and overextended real estate loans from the late 1980s. There were also fewer top-flight corporate borrowers because most blue-chip corporations began to issue their own obligations. And in order to meet new international capital adequacy requirements set by the Bank for International Settlements, U.S. banks failed to relend much of the capital that did come in from abroad.

The rise in oil prices raised the prospect that OPEC, flush with a windfall of tens of billions of dollars this year, might again become America's banker, as it had after the first two oil crises. But this time, the reason for the increase—the Persian Gulf crisis—is likely to keep much of OPEC's new revenue in the Middle East, for military equipment, regional foreign aid and subsidies to the Pentagon. Much of the remainder will go to Europe or East Asia, where investment opportunities did not exist in the 1970s.

With foreign capital in short supply and little prospect of new injections of cash from abroad, the Bush administration and Congress were forced in 1990 to make a historic deficit reduction agreement. The accord promised to cut $492 billion from the deficit over the next five years. Such savings, in turn, could trim the U.S. current account deficit to a more sustainable $60 billion in 1995. But these cuts could also prove ephemeral. The savings projections do not take into account a costly war in the Persian Gulf. They are also premised on decidedly optimistic expectations: economic growth in excess of three percent a year and at least a two percent drop in interest rates. Judging from Congress' reaction, the budget agreement did cause some pain. It was nonetheless probably more significant as a political than as an economic event. More cutting needs to be done.

With limited new capital available from domestic savings,

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the widening global scramble for capital ultimately means that the U.S. economy is increasingly at the mercy of decisions made in Bonn and Tokyo. As a result, Washington will be inexorably drawn into the domestic economic policy debates of other countries; the outcomes of such debates are now vital to American well-being. For example, when the Bundesbank raised German interest rates in the spring of 1990 to stanch the anticipated demand for Deutsche marks to pay for unification, the move was quickly mimicked by the Bank of Japan. Increased interest rates then helped to precipitate a dramatic falloff on the Tokyo stock market, as Japanese investors adjusted their portfolios from low-return equities to higher-yielding bonds. That, in turn, accelerated the withdrawal of even more Japanese funds from the United States.

In an era of capital shortage, the United States clearly has a vital stake in the level of interest rates around the world. But Washington's ability to influence those rates is constrained. Both Japan and Europe are preoccupied with domestic events, less willing to follow the U.S. economic lead, and no longer convinced that their own prosperity depends solely on America's economic success. For example, disregarding domestic pressures, the Bank of Japan eased its monetary policy in 1987 and mobilized Japanese institutional investors to buy U.S. securities to support the dollar, averting a hard landing for the American economy. Today the Bank of Japan would not be so accommodating. Japanese monetary officials are now focused on controlling domestic inflation. Easy money is blamed for the run up in Japanese land prices in the late 1980s, which helped to destabilize the Japanese banking system. Moreover, a slowdown in Japanese export growth has placed a new premium on domestic economic expansion, which requires investment at home induced by high real rates of return.

When U.S. and Japanese domestic economic needs were at cross purposes in the past, Washington had different kinds of leverage over Tokyo: the threat of closing U.S. markets or of removing the U.S. security umbrella. Such threats ring increasingly hollow today. The only leverage the United States has left is to allow the dollar to sink to such a low level that Japanese exporters will force the Bank of Japan to ease monetary policy. And Washington can only play that card at the cost of the American standard of living.

Washington is also on the outside looking in as Bonn makes its domestic economic policy choices. It is clearly in the U.S.

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interest that the Bundesbank maintain low interest rates and that the Kohl government cut spending and raise revenues to forestall its mushrooming deficit. But American suggestions that Bonn alter its policies fall on deaf ears. Germany cut interest rates under U.S. pressure in 1978, and severe inflation ensued. While economists agree that there was no causal connection, politicians in Bonn have never forgiven Washington. The United States must now rely on Germany's European partners to try to force a change in Bonn's monetary and fiscal policies.

Finally, the global capital shortage has placed the United States in an ambiguous position with OPEC. America's need for capital, as well as oil, may increasingly help to shape a new relationship with these oil-producing states. Washington assumes that its defense of Saudi Arabia will oblige that nation to invest most of its capital in the United States. The Saudis, however, have an ever widening circle of investment options and new regional demands on their wealth. They may still choose to take their money elsewhere. Moreover, it is open to question who will gain leverage in the wake of the Persian Gulf crisis, especially if the United States has to keep troops in the region into the future.

V

Increasing trade frictions in 1990 underscored the new tensions in the United States between internationalism and isolationism, multilateralism and unilateralism, and free trade and protectionism. The Bush administration groped to find its way on trade policy, mixing a variety of unilateral, bilateral and multilateral initiatives. These mixed signals jeopardized American credibility on trade issues. If the current Uruguay Round of the General Agreement on Tariffs and Trade (GATT) fails to satisfy U.S. domestic constituents and Congress, demands for new unilateral initiatives could become overwhelming.

Named after the country in which the talks were launched in 1986, the Uruguay Round was the cornerstone of the Bush administration's multifaceted approach to trade. It rapidly turned into the first big test of international economic cooperation in the post-Cold War period. As the talks evolved, it became clear that the United States would no longer subordinate its economic objectives to security concerns. It was also evident that America had less leverage to get what it wanted

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from trading partners with divergent interests. The EC and Japan, for their parts, had an opportunity to demonstrate their commitment to a truly global economy, but they remained preoccupied by parochial concerns.

The talks broke down in December 1990 because of a stalemate over agriculture between the EC and the United States. Farm trade had not been adequately covered by GATT since 1955, when the United States sought a waiver for its farm programs. The subsequent creation of the EC's Common Agriculture Policy, with its billions of dollars in subsidies, gave politicians on both sides of the Atlantic reason to steer clear of changing the status quo. But farm subsidies have such a distorting effect on world trade that they can no longer be ignored.

As the Uruguay Round unfolded, however, agriculture became the linchpin of the talks. Agricultural exporting nations, including Australia, Argentina, Brazil and Canada, formed a coalition—the Cairns Group—to push for reform of farm trade as a prerequisite for a final accord. The developing countries threatened to block progress on services and intellectual property unless farm subsidies were reduced. In Brussels the EC refused to budge and the negotiations were suspended when several Latin American nations, followed by the United States, announced that further progress was impossible at that time. The rest of the world would wait for the EC to make the next move.

Because international trade negotiations are fundamentally deliberations about domestic policy, the talks may still be put back on track. The EC's business sector, transfixed by the potential benefits of integration, is a natural constituency for multilateral trade liberalization. While it has been unwilling in the past to take on European farm interests to force agricultural reform, it may press for change if its own interests are now threatened. If the Uruguay Round is to be successfully concluded, however, the United States must also be more flexible. Washington should lower its expectations of a virtual elimination of all farm subsidies. In any case, Congress must be notified by March 1, 1991, that a negotiated package is ready, and time is short.

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VI

A major risk of failed multilateral trade talks is the impetus it will provide toward regionalism and protectionism. The Bush administration signaled its willingness to go this route when it announced in June 1990 the Enterprise for the Americas Initiative. In October it also requested expedited congressional authority to negotiate a wide-ranging free-trade agreement with Mexico. The Americas initiative envisions debt relief and trade agreements for every nation in the hemisphere, but so far the content has not been spelled out. Negotiations with Mexico are much further along. Barring disapproval by Congress, talks will begin in earnest in mid-1991.

These proposals come after the 1989 free-trade agreement with Canada and a more modest 1985 bilateral deal with Israel. Both agreements were justified by special circumstances: Israel for political and security reasons, Canada because of geographic proximity and economic interdependence. Mexico presents a similar special case. But after an agreement with Mexico, a series of hemispheric bilateral agreements would present almost insurmountable problems.

A western hemisphere trading bloc that includes most of the world's major debtor nations could make it extremely difficult for all of these economies to work their way out of debt. This is a particular concern for the United States, which must generate significant trade surpluses to service its debt, in part by reestablishing export markets in Latin America. Those nations, in turn, need trade surpluses as well to repay their obligations to American banks, among others. It will be impossible for all countries to run surpluses in a system of closed bilateral trading arrangements.

Bilateralism also has diplomatic ramifications. The essence of bilateral pacts is favoritism, which inevitably creates foreign-policy problems with those who are discriminated against. Some countries must be left out. By what criteria will they be chosen and who will decide? In the United States, Congress will have a role to play. Domestic political interests, already apparent with organized labor's opposition to the Mexican agreement, will further complicate these policy decisions. Members of Congress will inexorably be drawn into the micromanagement of such bilateral deals in ways unthinkable in broad multilateral arrangements.

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A series of bilateral free-trade agreements or a regional trading bloc in the Americas would also create thorny legal, institutional and political problems. In lieu of a common legal code and method of jurisprudence, an institutional apparatus would have to be adopted to establish rules and procedures for settling disputes. Some issues will inevitably defy easy solution. If Nicaragua were a member and the Sandinistas resumed power, could the United States expel them from the bloc? Such issues have not yet been thought through, but should be soon; the Americas initiative will gain more momentum once the GATT talks are concluded.

A breakdown in the GATT's Uruguay Round could also trigger more unilateral trade actions by the United States. The Bush administration discouraged the filing of unfair trade practice cases in 1990 to avoid antagonizing its negotiating partners just before the conclusion of the round. But many such cases, like the long-threatened action against Japanese barriers to imported rice, could be activated in the environment of frustration that will likely prevail if the Uruguay Round finally fails. If the White House begins to pursue unilateral actions more aggressively, Congress may be only too willing to lend its support. Last fall a presidential veto was all that prevented Congress from radically restricting textile imports. Congress has also tried to retract executive "fast track" negotiating authority—its agreement with the president to vote on trade pacts within 90 days of their submission to Congress with no amendments. While this effort failed, by the end of the year 37 senators had sponsored a resolution to revoke "fast track" provisions, thus raising doubts about congressional willingness to extend that authority if the Uruguay Round needs more time.

Congress has also threatened to reinstitute the "Super 301" provision included in the 1988 Trade Act, which requires the identification of unfair trading countries and sets a timetable for negotiating the dispute and for possible retaliatory actions. Super 301 was first applied in May 1989 against Japan, Brazil and India with significant effect. Japan agreed in the spring of 1990 to open its markets for lumber, satellites and supercomputers. And Brazil promised to improve protection of intellectual property. Only with India, which refused to negotiate under threat of sanctions, did the Bush administration fail to make progress. As a result, India was again named as an unfair trader in April 1990. While Super 301 authority has lapsed,

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some senators would like to give the administration new authority to tackle trade problems in this unilateral fashion if the multilateral approach breaks down. After all, President Bush has demonstrated that unilateral action can bear fruit.

These pressures toward regionalism and protectionism are not unfolding in a vacuum. There has been growing American frustration over a perceived lack of allied burden-sharing for the multilateral effort in the Persian Gulf. After the war, this resentment could spill over to trade issues as well.

At the same time, the emergence of European, East Asian and North American trading blocs may foster regional security perspectives. This will only reinforce the narrow security interests manifested by some Europeans and Japanese in the Persian Gulf crisis. It could also accelerate America's retrenchment from its role as guarantor of global security. A world with three roughly equal economic powers may have no country willing to take responsibility for collective security.

VII

Frictions over trade, capital and oil in the last year were aggravated by a breakdown in fiscal and monetary coordination by the Group of Seven (G-7) major industrialized countries. This was especially evident in the saga of the dollar. The dollar declined significantly in 1990 and most analysts felt it would have to fall even further if the U.S. external account was to come close to balance. The Treasury Department seemed satisfied to let the dollar slide in an effort to breathe new life into exports. But unlike previous retreats of the dollar, which were measured and appeared choreographed, there was little evidence this time that Treasury was anything more than a spectator. The perception that the dollar had no floor, and that Washington was unwilling or unable to build one, only exacerbated the U.S. economy's capital shortage. Rather than rushing in to buy American assets at fire-sale prices, foreign investors pulled even more money out of the economy in anticipation that existing asset values would continue to shrink.

In the past America's needs with regard to the dollar dictated international action, as evidenced by the G-7's highly successful "Plaza accord," struck at its 1985 meeting in New York, and the ill-fated 1987 "Louvre accord." But the U.S. international monetary agenda no longer prevails. Other nations were willing in 1990 to let the dollar fall to serve their

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own domestic interests, not those of the United States. While a weak dollar and strong yen hurt Japanese exporters, Tokyo's monetary officials felt the sacrifice was more than offset by the benefits. A stronger yen negated the rising cost of imported oil (priced in dollars) and made it easier for Japanese banks to meet new asset requirements. Germany similarly gained: a strong mark attracted capital to pay for unification.

The coup de grace came in the first week of November, when French Finance Minister Pierre Bérégovy called for a meeting of the Group of Seven, ostensibly to halt the slide of the dollar. Paris' ulterior motive was to enlist Washington's help in staving off a further rise in German interest rates and in pressuring Bonn to raise taxes. Rather than being the leading actor in the drama, the United States was a foil for the actions of others.

The planned creation of a European Economic and Monetary Union (EMU) and eventually a single currency will further alter the power relationship between the United States and Europe on monetary and fiscal issues. The EC agreed in October 1990 to establish by January 1, 1994, a European central bank. An intergovernmental conference began in December to negotiate the details. In the past, even when the European Monetary System formally linked EC currencies, trans-Atlantic monetary relations were essentially bilateral. The depth and breadth of the market for the dollar gave the United States enormous leverage. Washington could talk down the value of the dollar and force Bonn and Tokyo, which saw their U.S. export markets evaporating, to begin expansionary domestic economic policies. The emerging self-sufficient single European market will be increasingly immune to the arm-twisting effects of threatened dollar depreciation.

The EMU is also likely to transform the international economic coordination process industrialized nations have fitfully pursued over the last decade and a half. The emergence of an industrialized world Big Three—Europe, Japan and the United States—will place a higher premium on coordination. At the technical level, creation of a European central bank, with one currency and one bureaucracy, will presumably make that coordination easier: transaction costs will be reduced. But in reality coordination could become more difficult. Greater symmetry could generate greater instability if it creates more of an incentive to manipulate exchange rates for domestic purposes.

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A clearly stated mandate in its charter to maintain price stability, above all else, could hinder the European central bank's ability to ease monetary policy for international coordination. Much depends on the personal chemistry of the decision-makers. American officials have long found German Bundesbank personnel more difficult with which to deal than the leaders of the Bank of Japan. An emboldened Bundesbank, newly confident in its leadership, perhaps even dominance, of the European central bank may be even less likely to cooperate with Washington. And if the new European central bank is truly independent of the political process, like the Bundesbank and the Federal Reserve, then it may be harder for governments to put their international economic agreements into practice.

The United States and Japan could now find negotiating macroeconomic policy with the EC as difficult as negotiating trade policy, where the Community's position is almost immutable after it has been negotiated internally among 12 governments. Because Brussels lacks substantial power to tax and spend, fiscal outcomes in the member states will condition EC monetary policy. Conversely, central policy under EMU will put greater pressure on member states' fiscal policies to achieve domestic objectives. This could have adverse effects on interest and exchange rates and on the international economy in general. A situation like that which occurred in the United States in the early 1980s—tight monetary policy and loose fiscal policy—is all too possible. International coordination of fiscal policy becomes more important, but also more difficult. The head of the European central bank might be able to agree with his or her counterparts in the United States and Japan, but who among the 12 member states will serve as the EC's finance minister to negotiate on fiscal policy?

Finally, the new European currency will increasingly challenge the dollar's role as the world's key currency. The dollar has long been the medium of exchange all over the world. More and more, however, trade and assets are yen and Deutsche mark denominated. In a symbolic gesture, some of the assets of the new European Bank for Reconstruction and Development will be denominated in European Currency Units, the first multilateral institution to do this.

Thus, EMU fundamentally changes the power relationships among Europe, Japan and the United States on monetary

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issues. The EC may soon be able to trade off macroeconomic changes for other objectives on trade or security issues.

VIII

Is the end of the longest peacetime economic recovery finally at hand? The Organization for Economic Cooperation and Development (OECD) expects that the U.S. economy will contract in the first half of 1991 and expand by no more that 0.9 percent for the full year, compared with 2.5 percent growth in 1989.

But even these forecasts may be optimistic. When the effects of rising oil prices are looked at, not in isolation, but as part of a dynamic process involving greater competition for capital, the global tightening of credit and blossoming trade conflicts, growth prospects look far worse and the recession promises to be deeper and longer than anticipated. Eventual economic recovery may be less robust than normal because U.S. financial institutions are saddled with such poor quality assets that they lack the capacity to expand credit. Moreover, prospects would dim even further should the war in the Middle East turn out to be costly and protracted.

Strong demand for capital has effectively placed a floor under the price of money. Higher interest rates are likely to have a stronger drag on the U.S. economy, as the weakest of the three major regional economies, than on those of Europe or Japan. At the same time, balance-wary banks are expected to keep their growth in lending at modest single-digit levels well into the 1990s. As a result, small- and medium-sized U.S. firms are likely to find it more difficult to obtain capital than at any time since the 1960s, further constraining the economy's growth prospects. Developments in the trade arena, moreover, suggest there is little chance the United States can use exports to breathe new life into the economy, as it did in the late 1980s. Exports had been the motive force behind U.S. economic growth, accounting for almost half the increase in gross national product from 1988 through the first six months of 1990. But they have finally begun to run out of steam. Exports of goods and services, which grew by 11 percent in 1989, may grow by less than half that in 1991.

Even the falling value of the dollar may not reverse this slowdown in exports, due to uncertainties in foreign markets. Great Britain and Canada, which buy more than a quarter of U.S. exports, are themselves headed into recessions. Japan,

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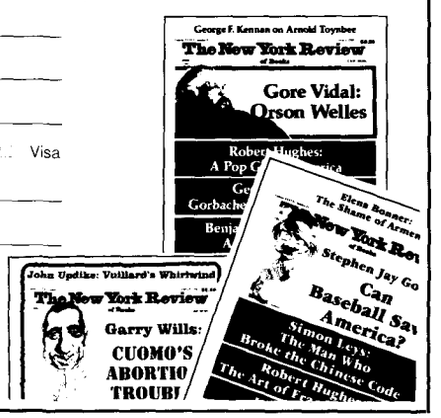

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which was steadily increasing imports from the United States, anticipates sharply lower economic growth as well, and Japanese industrialists acknowledge that they will first cut back on purchases from foreign suppliers. OPEC will increase its imports of U.S. products in the near term, but the size of its markets do not allow it to be anyone's savior.

As exports slow, foreign trade barriers, ignored in times of expanding markets, suddenly invite confrontation. At the same time, domestic manufacturing interests are likely to be increasingly wary of trade liberalization and to fight for protection under trade remedy laws that almost entitle them to relief from import competition. All of this may portend ill for the GATT; a recession is not the best time to close a multilateral trade negotiation.

IX

In the precarious economic times ahead, the growing interdependence of economies will dictate new U.S. policy initiatives.

Until the United States becomes more energy self-reliant, dependence on imported oil will continue to exact a heavy economic and diplomatic toll. America now uses more than twice as much energy to produce a dollar of gross national product as France, Germany or Japan. Improving energy-use efficiency to European or Japanese levels would help to insulate the United States from the vicissitudes of world oil markets.

At the same time, Washington should initiate discussions with its allies about future responsibility for the defense of Middle East oil supplies. The Persian Gulf crisis exposed differing allied perceptions of how best to safeguard common interests. Germany and Japan are likely to continue to be reluctant to use force, except in immediate self-defense. American resentment about the lack of burden-sharing for the gulf operation could undermine U.S. willingness to take the lead in future such situations, jeopardizing the global nature of postwar security arrangements. Disagreement over how best to ensure future energy security is a time bomb in the alliance. It needs to be defused through the development of an allied consensus over what constitutes threats to global security in the post-Cold War world and how the burden of paying for that security should be shared.

The need for joint action in response to macroeconomic

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developments in Europe and Japan is equally clear. In the wake of German unification, west European integration, east European liberation and the emergence of Japan as an economic dynamo, the United States must contemplate international initiatives aimed at reorganizing the world economy. This should be done while the United States still has the clout to protect its interests, and before Europe and Japan go their separate ways. Indeed, as the EC grapples with EMU, petitions for membership and economic upheaval in the east, it is likely to be perennially preoccupied. Keeping the EC actively engaged in multilateral initiatives will be a challenge of the first order.

Greater symmetry among the major economies has strengthened the case for closer economic policy coordination. Common objective indicators of economic well-being have already been developed by the G-7 nations. These should now be used to guide and enforce economic coordination, so that interest rates, exchange rates and other key economic indicators do not dramatically diverge. New procedures to ensure follow-up and monitoring of economic summit agreements should also be considered. The time may even have come to establish a permanent secretariat, with officials seconded from the major industrialized countries, to scrutinize economic summit pledges. By institutionalizing coordination, the United States can derive some of the domestic benefits of externally imposed economic discipline, while ensuring that the economic policies of other countries are tempered by the needs of the American economy.

Regardless of the outcome of the Uruguay Round, Europe, Japan and the United States will continue to have trade frictions that will prove costly unless they are amicably resolved. Washington should now begin to focus on crafting a post-Uruguay Round multilateral trading environment, one that both constrains U.S. protectionist impulses and guarantees that the trade and industrial policies of Europe and Japan do not harm American interests. Creation of a new World Trade Organization could provide that new framework. Such an institution, as a successor to the GATT, could implement the results of the Uruguay Round and also provide a venue for ongoing international trade negotiations. This organization could also help to ensure that, as the trading blocs now emerging in Europe, North America and possibly East Asia

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expand and adopt new rules on trade and investment, they do not discriminate against outsiders.

Specific trade conflicts between the major industrialized powers may deserve special attention in order to avoid damaging diplomatic spillovers. U.S.-European and U.S.-Japanese dispute resolution panels should be established to handle such quarrels. These panels could be based on the successful approach created under the U.S.-Canadian free-trade pact. Also, because many trade conflicts can be traced to the clash of different competitive environments, an American-EC dialogue should be launched on harmonization or mutual recognition of regulations, industrial subsidies and other government actions that affect international commerce. This interchange could be patterned on the U.S.-Japanese Structural Impediments Initiative talks and lay the groundwork for broader negotiations involving all major industrialized nations, possibly under the auspices of the OECD.[3]

If the United States is to remain an economic leader in the world, it must adapt its leadership style to the increasingly interdependent nature of the global economy. At a time when virtually all domestic policies have international implications, economic leadership is best exercised first at home. For the United States, that means cutting the federal budget deficit even further. It also means increasing incentives for private savings. Only in this way can the United States reduce its dependence on foreign capital, easing the global capital shortage and minimizing the inevitable drag on the U.S. economy of high world interest rates.

As economics supplants defense as the foundation of national security, Washington must give new priority to international economic policymaking. The economic arm of the National Security Council needs to be strengthened. Responsibility for coordinating international economic policy, now scattered throughout the executive branch, should be centralized in the White House. The president may need new powers, such as fast-track authority to raise or lower taxes for limited periods of time, in order to have more flexibility in coordinating economic policies with other industrialized nations. Domestic political changes should also be considered, such as

[3] See Sylvia Ostry, *Governments and Corporations in a Shrinking World: Trade and Innovation Policies in the United States, Europe and Japan*, New York: Council on Foreign Relations, 1990.

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reform of campaign finance laws, to insulate politicians from protectionist pressures.

With Europe and Japan emerging as its economic coequals, the United States can no longer afford to play the role of Henry Kissinger's "Lone Ranger." A more appropriate leadership model may be found in Prince Metternich, the consummate nineteenth-century Austrian diplomat who crafted a stable European order through consensus building. Consensual leadership should not be confused with accepting the least common denominator. The United States must continue to shun the parochial perspectives held by many Europeans and Japanese. The liberal multilateral trading system was the product of America's global economic vision. While that ideal may be tarnished, and the United States may lack the leverage to ordain it, it is no less important a goal.

Reform of U.S. economic policies, a necessary adaptation to a changing world, will be no easy matter. If such changes can be effected, however, 1990 may yet be remembered not as the year the global economy turned on America, but as the year that inspired the United States to begin to fashion a new role for itself in the world economy of the 21st century.

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Karl Kaiser

GERMANY'S UNIFICATION

The division of Germany disappeared along with the Cold War that created it. Unification occurred with surprising ease and swiftness and, most important, without major bloodshed. Thus it contrasted strikingly with the dramatic origins of Europe's division, brought about by the devastating war unleashed by Hitler's Germany and the global confrontation that Stalin's Russia forced upon the world.

A change of such a tectonic magnitude as the breakdown of the entire postwar international order can only result when longer-term developments create the necessary preconditions, and when an unusual confluence of forces triggers the decisive events. Both elements came together to bring about the *Zeitenwende* of 1989–90 that altered the political map of the northern hemisphere.

Historic opportunities are often wasted, however, or turned into disasters when the leaders of important countries lack necessary qualities or fail to cooperate. In the case of Germany's unification, the opposite happened. The constellation of leaders was truly exceptional, both in their qualities as statesmen and their capacity to cooperate in what became the most intensive phase of bilateral and multilateral diplomacy in European history. All key personalities were politicians of unusual experience, having previously cooperated and developed personal relationships, in some cases approaching friendship. But not even the wisest leaders could have produced German unity less than a year after the fall of the Berlin Wall had it not been for the truly gigantic effort of the officials working in individual nations and in the European Community. German unification, brought about by a multitude of bilateral and multilateral negotiations and arrangements, represents one of the greatest triumphs of leadership and diplomatic professionalism in the postwar period.

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A president of the United States in office in 1989–90 was unusually well prepared for international politics. He knew what he wanted with regard to German unity and the ending of the Cold War. He provided the right mix of discreet and public leadership, and he used America's resources wisely in responding to the dilemmas of his partners. In the Soviet Union a president was in power who was determined—against much internal opposition—to overcome traditional communism, to withdraw from an unsustainable empire and to construct fundamentally new relations with the West.

In Germany a chancellor with an astute sense of strategic opportunities, and a knack for timely and decisive action, steered the process in symbiotic cooperation with a foreign minister with a keen tactical sense in the context of the long-term design that he had helped fashion for many years. In Britain and France, after initial reservations about the prospect of a powerful united Germany, two experienced leaders grasped the opportunity and gave their constructive and indispensable support to the various arrangements leading to unification. In the European Community, President Jacques Delors quickly realized the dangers and opportunities of the moment by providing decisive leadership and placing unification within the EC framework, giving new momentum and direction to both. Finally, after several decades of totalitarian rule in East Germany, it was remarkable that the revolution produced a political leadership able to provide support and legitimacy to a complex settlement on issues with which it had only a few weeks to familiarize itself.

Another characteristic gives a rare and possibly unique quality to the events of 1989–90. All the important elements of the collapse of the postwar order corresponded exactly to the visions and grand design formulated in the early postwar period. The international structures initiated by statesmen like Dean Acheson, Konrad Adenauer, Alcide de Gasperi, Jean Monnet and Robert Schuman finally achieved their ultimate goals: the collapse of traditional communism, the rise of democracy in eastern Europe, the mellowing of Soviet power and its retreat from the external empire, the end of Europe's division, the success of west European integration as the decisive force for change on the continent, and Germany's unification as a democracy integrated into the structures of the West. The overcoming of Europe's division, though unimaginable without the contribution of the reformist leaders and

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democratic movements in the East, owes much to the far-reaching vision of the early postwar leaders.

II

Unification was the goal of West German foreign policy since the first days of the Federal Republic. Chancellor Adenauer argued that German and Western policy should first concentrate on the rebuilding of German democracy, the revival of the economy and the full integration of Germany into structures of European and Atlantic cooperation. In the end, he claimed, success of this policy would produce the unification of Germany. Adenauer's policy, pursued with Western support, was successful in his lifetime in every respect except one: German unification. In fact, unification seemed to become an ever distant possibility. As the division of Europe deepened in the 1950s and 1960s, the two German states and their societies appeared to move further and further apart.

A conceptual departure appeared necessary to bridge the dividing line and introduce political change. Between 1966 and 1969, some steps were taken by the Grand Coalition of the Christian Democratic Union and the Christian Social Union working with the Social Democratic Party. But real change only occurred in 1969 after Social Democrats allied themselves with the Free Democratic Party and formed a coalition under Chancellor Willy Brandt. The new policy complemented, not replaced, Adenauer's record. Building on the Federal Republic's firm integration into the West, successive German governments from Brandt through Helmut Schmidt to Helmut Kohl pursued a policy that accepted the status quo in order to change it. Each settled open issues with the East and initiated cooperation through bilateral treaties and the multilateral process of the Conference on Security and Cooperation in Europe (CSCE). These governments transported the seeds of change and Western values into East German and East European societies, and supported arms control and disarmament. All of these policies were pursued in cooperation with the West.

Complemented by the Deutschlandpolitik and Ostpolitik of Brandt, Schmidt and Kohl, and sustained by the Free Democrats and their two foreign ministers Walter Scheel and Hans-Dietrich Genscher, Adenauer's policy in the end did help to produce German unification. It was, in fact, part of the general revision of the European order through internal change in the

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East and the negotiated Final Settlement that officially produced unification in 1990.

The three major political forces in Germany can therefore claim contributions to Germany's unification and the circumstances surrounding it. The Social Democrats, after strongly opposing Adenauer's policy of Western integration, endorsed and developed it after 1960. The Christian Democrats did the same after 1982 with the Social-Liberal coalition's bilateral and multilateral Ostpolitik. The Free Democrats had always been a force supporting the new policies. The major elements that produced German unification reflect the consensus of Germany's political parties. Germany thus reenters international life and assumes its new responsibilities with a better domestic foundation than at earlier phases of its history, when its political parties were deeply split over basic elements of foreign policy.

Unlike Bismarck's unification of 1871, the developments of 1989–90 occurred without "blood and iron." The surprising political maturity of the East Germans—considering they had last experienced a free election in 1932—found its counterpart in the restraint and caution of the major powers. Another difference from 1871 was that this time unification was brought about not against the will of other countries but with their consent and, indeed, active support. Unlike at the Versailles conference of 1919, the major powers were not divided but in agreement. The sorry lessons of Versailles helped the major powers push aside the temptation to discriminate against Germany and produce a settlement to which it, as well as they, could agree. Although this outcome is no guarantee against future conflict, it provides an infinitely better starting point for the policy of a united Germany in Europe than did the ignominious and inherently destructive settlement at Versailles.

III

Of all the forces that brought about the fall of the Berlin Wall and the collapse of the East German regime, none was as important as the change in Soviet domestic and foreign policy under Mikhail Gorbachev. By 1989 these changes not only resulted in significant advances in East-West relations, but the logic of internal reform had an increasing impact on Russia's European allies. Gorbachev's December 1988 U.N. speech proclaiming "freedom of choice" was bound to set free the

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forces in these socialist states that had been striving over the years for greater autonomy. The unilateral withdrawal of 50,000 soldiers from central and eastern Europe, announced in the same speech, gave credibility to Gorbachev's renunciation of the Brezhnev Doctrine. Soviet military power would no longer guarantee the continued monopoly of power of communist parties in eastern Europe. Moreover, after Moscow demonstratively accepted the results of Poland's first free elections in 1989, which produced a government headed by Solidarity activist Tadeusz Mazowiecki, it was only a matter of time until opposition forces in the other countries would also challenge communism.

In early 1989 Soviet policy toward Germany still seemed to be on its traditional track. During West German Chancellor Kohl's visit to Moscow in October 1988, Gorbachev relegated a solution to the German problem to the timetable of history, but expressed a strong desire to improve relations with the Federal Republic. By June 1989, however, the potential for change was implicit in the joint declaration signed by both governments on the occasion of Gorbachev's visit to Bonn after six months of negotiations. That declaration not only mentioned "the right of all peoples and states to determine freely their destiny," but the "unqualified recognition of the integrity and security of every state and its right to choose freely its own political and social system as well as unqualified adherence to the norms and principles of international law, especially respect for the right of peoples to self-determination."

The declaration thus used language in a context that referred to the possibility of German self-determination through free elections. The declaration constituted an affront to the East German regime and thus heightened the insecurity of the state's political class. After all, according to its leading ideologues, communism was the main reason for the existence of a separate East German state.

The true weakness of the East German regime was revealed when the flight of its citizens turned into a mass exodus late in the summer. Hungary, already having made the best of the new margin for maneuver provided by Gorbachev, made the momentous decision to allow East German refugees to move to the West, thereby breaching the Berlin Wall on the flanks. Collapse was imminent by the time Gorbachev attended the G.D.R.'s 40th anniversary celebration in early October. Gor-

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bachev personally contributed to the collapse by making it understood that East German leader Erich Honecker was unable to implement his own version of perestroika. The refusal of the East German regime to engage in some process of controlled reform had become an increasing problem for Moscow. In all likelihood, Gorbachev did not want to take initiatives that would result in German unity. But he probably preferred the risks of a process of reform, which he hoped could be controlled, to the potential chaos of an explosive reaction to an ossified ideology. His provocative public reminder—"He who is too late will be punished by life"—was not lost on the East German Politburo. Moreover Gorbachev made it clear that he was unwilling to support a repetition of the Tiananmen Square massacre, for which East German security forces had made preparations.

Early in November mass demonstrations forced the withdrawal of the old leadership and the opening of the Berlin Wall and, indeed, the Iron Curtain. The dismantling of the most visible symbol of the postwar order brought home the fact that the situation in Germany, as well as that between East and West, was fundamentally changing. Inside Germany the flow of refugees assumed catastrophic proportions. During the month of November 133,000 people fled from East to West, i.e., projected at an annual rate, a tenth of the entire East German population. A continuation of the exodus would soon have led to a collapse of the G.D.R.'s social and economic system, and ultimately threatened that of West Germany.

In this situation, Kohl surprised everyone on November 28 by proposing a 10-Point Plan to deal with the German Question. The plan was based on the view, still prevailing in Bonn, that further progress on unity could only be achieved on the basis of integration between two separate states. The plan therefore stressed the necessity of a "contractual community," increasing cooperation at all levels between the two German states, slowly moving toward confederated structures. The plan mentioned the need to place the process in the context of cooperation within the European Community, the CSCE and East-West disarmament. German unity was mentioned only as the ultimate outcome of such a gradual process.

Kohl thus attempted to regain the initiative in a situation of growing disorder and to develop a framework to guide policy. The plan was designed to be flexible, to move in stages and

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formulate conditions for cooperation, notably with regard to strengthening democracy and human rights in East Germany. The plan also sought to reassure both the Western allies and the Soviets by stressing the linkage to multilateral processes and using the two existing states as the foundation for further cooperation. Finally, it was intended to project vision and the hope of progress into a rapidly disintegrating East German society, in an effort to induce East Germans to stay home and preserve a minimum of stability.

But Kohl's plan could not fulfill its goals for several reasons. It was quickly overtaken by events; popular pressure for speedy unity in East Germany was much stronger than anticipated. The strength of these sentiments became increasingly visible in East German demonstrations. Within weeks both German governments were forced to scrap all concepts based on two separate states. Moreover the outside world was surprised by the plan, because foreign perception of events inside Germany was more accurate than that of planners in Bonn. With the fall of the Berlin Wall and related developments in East Germany, the world's attention focused not on the ideas of cooperation between the two states but on the one point in the plan that referred to unity. This was the main reason London and Paris were perturbed over not having been consulted prior to the plan's publication, though this reaction dissipated as events proceeded. Finally the plan made no reference to German borders and thus created the impression that unification would reopen the territorial issue.

IV

Since the late 1960s the Federal Republic's foreign policy pursued unification first by accepting the status quo of regimes and borders in the East, and then by contributing to a lowering of East-West tensions and increased cooperation, something which inherently served the interests of the divided nation. To preserve the essence of a common *nation*, West German policy inevitably had to deal with an East German *state*. But Bonn insisted on two points: it did not recognize the legitimacy of the eastern regime, nor was it willing to jeopardize Germany's option for unification. The "Letter on German Unity," addressed to the Soviet Union at the conclusion of the 1970 Treaty of Moscow, and acknowledged by Soviet authorities, stated that the "political objective of the Federal Republic of Germany [is] to work for a state of peace in Europe in which

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the German nation will regain its unity in free self-determination."

Given the obvious difficulties of unification, West German policy and political rhetoric concentrated on preserving humanitarian links and human rights. Freedom, as was often said, was more important than unity. The impact of Gorbachev's policies did not at first significantly change these priorities. The events at the turn of 1989 transformed the long-term perspective on unity into a strategic opportunity to be quickly grasped. In East Germany the accelerating collapse of the *ancien régime*, the growing exodus and the popular groundswell for unification made necessary innovative operating policies. For the first time since the creation of the Federal Republic, a genuine chance for unifying Germany appeared within reach.

Under great pressure of time, West German Chancellery and Foreign Office officials developed a strategy. It did not emerge in one single act but through a series of internal discussions and bilateral and multilateral negotiations between December 1989 and March 1990. At the intra-German level the option for a new common constitution was discarded in favor of East Germany's accession to the Federal Republic under Article 23 of the Basic Law, which a freely elected East German parliament later approved.

As to the external conditions of unification, the strategy addressed four questions. First, how could the concerns about the power of a united Germany be assuaged? Second, how could unification be achieved while also assuring Germany's continuing participation in Western structures of integration, notably NATO? Third, how could unification be accomplished without discrimination and legal restrictions on German sovereignty? Finally, how could there be an international settlement resolving all open questions left from World War II, while avoiding a general peace conference with all of Germany's wartime adversaries?

It became clear from the very beginning that these questions could be resolved only by acting on various multilateral and bilateral levels simultaneously. The art of diplomacy would have to tie a number of well-tested approaches to new ideas reflecting the changed circumstances of East-West relations and Germany's increased resources.

—A strengthening of European integration, in the framework of common policies and further pooling of sovereignty,

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was the most appropriate approach to accommodate increased German power. Consequently Bonn increased its support for the Economic and Monetary Union, and Chancellor Kohl and French President François Mitterrand joined forces in proposing an intergovernmental conference on political union.

—All-European security structures would have to be strengthened or created through the CSCE: first, to supplement the NATO framework and, second, to provide a legitimate basis for a continued Soviet role in Europe after the release of its Four Power rights.

—Guarantees would have to be given to East and West in order to eliminate concerns about the military strength of Germany. They would require limitations on German forces, a confirmation of Germany's nonnuclear status and assurances to the Soviet Union to make the loss of G.D.R. territory militarily tolerable.

—Transitional arrangements would have to be found for the stationing and withdrawal of Soviet troops from East Germany under dignified circumstances. Further NATO reform—an increased political character and a changed conventional and nuclear strategy—would also make continued German membership more acceptable. Multilateral disarmament in Europe would create a more favorable framework for accommodating a united Germany.

—Qualitative improvements in Soviet-German relations should end the postwar enmity.

—A firm recognition of borders would remove any perceived potential for territorial revisionism due to unification.

Finally, it should be noted that no separate East German strategy on the external aspects of unification emerged. The initiative rested with the Bonn government as the old forces in East Germany lost power in a disorderly retreat. After the March 1990 elections, parties came to power in East Germany that were essentially extensions of West Germany's political system, with those of Bonn's governing coalition in a clear majority. Although the ideas of those who had engineered the revolution were represented in the government, most energies in East Germany turned toward the problems of democratic transition and the internal aspects of unification. Consequently the pacifistic and anti-alliance orientation of East German political activists soon ceased to interfere with Bonn's strategy.

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v

The United States responded as a world power that had decisively shaped the structure of postwar Europe. It found the potential of a united Germany less of a problem than did Germany's neighbors. Washington carried the major responsibility for helping the western part of Germany to develop into a successful democracy and economy, and it was less hampered by historical memories than Britain and France.

For Britain and France, German unity was foremost a question of accommodating a new power. For the United States it represented, above all, the prevalence of American-supported values in Europe and the success of the postwar struggle against Soviet expansionism and its imperial hold over central Europe. Consequently American statesmen could support German unity in terms rarely heard from their counterparts in Europe, including Germans themselves.

When the East German regime collapsed in October and November of 1989, Washington perceived the events as the beginning of the demise of the postwar system. Every step taken was thus considered a building block of the new order and was guided by long-term considerations. Any mistake resulting from shortsightedness or tactical maneuvering could be costly in decades to come. With remarkable speed, Washington worked out its strategy prior to the December 2–3, 1989, U.S.-Soviet summit in Malta, which immediately followed Chancellor Kohl's November 28 announcement of his 10-Point Plan. The most momentous U.S. decision was to give forceful support to German unification, to throw all American resources behind it, and to place it in the context of a larger vision of a "Europe whole and free." The few negative voices in public opinion never had any noticeable impact on the administration's policies.

American policy was also based on the realistic assumption that it served U.S. interests to support a unification process that would produce western Europe's most powerful country and a potential partner in this future order. Here existed an even stronger prospect for the "partnership in leadership" that Bush offered the Federal Republic in his May 1989 visit. Moreover unequivocal support for unification would draw the proper lessons from Versailles, undercut any basis for right-wing revisionism in Germany and eliminate the temptation—

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remote though it appeared—for Germany to seek unity through a bilateral deal with the Soviets.

Beginning with the December 4 NATO summit, American policy attempted to apply consistent priorities to the process of unification. It insisted foremost that unity mean the full restoration of German sovereignty; the Germany to emerge should not be subject to further controls. In this respect, American policy corresponded to the wishes of Chancellor Kohl; it helped to push aside notions such as that proposed by Soviet Foreign Minister Eduard Shevardnadze that unification be "decoupled" from sovereignty. American policy consistently provided encouragement to a Bonn government that at times appeared more hesitant than necessary. This was particularly evident in Bush's letter to Kohl prior to the chancellor's decisive February 1990 meeting with Gorbachev. Bush wrote that Kohl had the West's full confidence, that America was with him and that Kohl should act to achieve unity if he could.

The determination to restore German sovereignty was also reflected in Washington's attempts to structure the process of negotiations leading to unification—the "two plus four" talks. An orderly procedure obviously had to be found to relinquish the Four Power rights gained by the United States, Britain, France and the Soviet Union with their victory in World War II. But the negative German and European public response to the December 11, 1989, meeting of the Allied Control Council in Berlin, convened at Soviet request, demonstrated that any impression of reviving the anti-Hitler coalition of half a century earlier would deny the rebuilding of democracy, possibly damage the trust and friendship established between the Federal Republic and the West, and jeopardize a new European system at its very outset.

London, Paris and Moscow were tempted to organize the negotiations as Four Powers negotiating with the two German governments. Preventing this required the personal intervention of President Bush in bilateral meetings with French President Mitterrand and British Prime Minister Thatcher, and intensive negotiations among U.S. Secretary of State Baker, Shevardnadze and other foreign ministers at the CSCE's February 1990 "open skies" meeting in Ottawa.

Strongly supported by Bonn, an agreement was reached on the next steps: the two German states would jointly develop their view on the external aspects of unification, and then communicate it to the Four Powers. This ensured respect for

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Germany's right to self-determination as well as its established relationship of cooperation with the West. The formula, moreover, implied that Germany's unification was to be achieved not as the result of a peace conference but in the form of what would eventually become the Treaty on the Final Settlement, signed by the six parties on September 12, 1990, in Moscow.

American policy also consistently tried to accommodate the concerns and interests of the Soviet Union. The Soviets held the most important cards and would have to make substantial concessions in order to meet Western conceptions of the future European system. In approaching Moscow President Bush built on the new Soviet-American bilateralism begun in President Reagan's second term, including a willingness to reduce the U.S. military presence in Europe. At the Malta summit Bush assured Gorbachev that the United States would not exploit growing Soviet weakness and that both sides had an interest in preventing ongoing change from turning into chaos.

As the "two plus four" process advanced, Bush decisively influenced the course of events. He reassured Gorbachev at their May 31-June 1 summit by formulating a number of points on which he had previously consulted the German chancellor, including a reform of NATO strategy, German commitments on its future non-nuclear status and transitional arrangements for Soviet troops in East Germany. Gorbachev then responded positively that Soviet approval of unification under CSCE rules in fact meant Germany was free to choose its alliance. The final quid pro quo thus offered a Western pledge to revise the security environment in return for a Soviet agreement to an option of German unity in NATO.

Finally American policy acted on the assumption that the historic opportunity to restructure Europe might be short-lived. In fact, turmoil in the U.S.S.R. grew, and the U.S. administration accelerated the proceedings. No one knew how long the cooperative Soviet leadership under Gorbachev—and the opportunity to strike a constructive deal—would endure.

VI

The Gorbachev revolution in foreign policy was sooner or later bound to have a profound effect on the German Question. The time finally came in 1989–90. That question became the greatest challenge to Soviet foreign policy of the postwar

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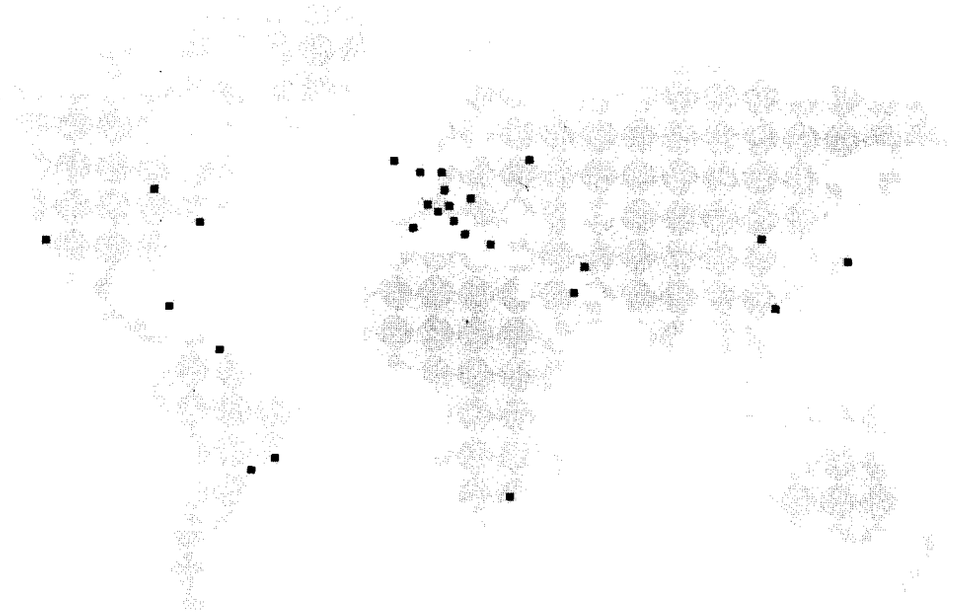

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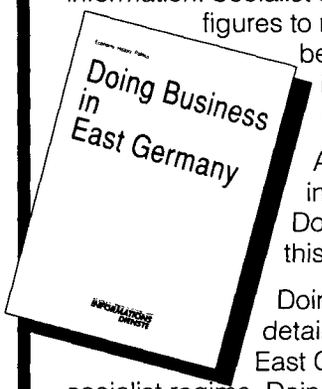

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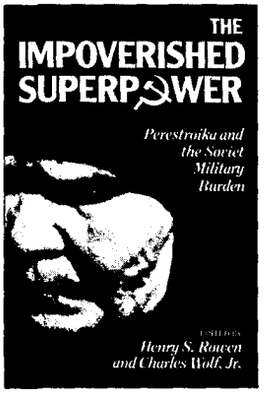

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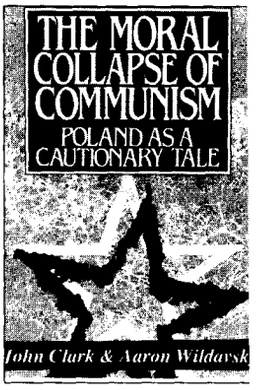

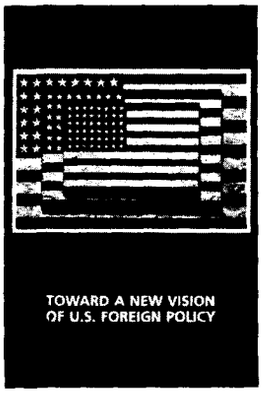

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period, given the psychological burdens of relations with Germany and its importance in the collective memory of the Soviet population. A solution had to be found to reconcile the Soviet retreat from untenable positions in Europe with the construction of a new order that served the long-term political and economic interests of a Soviet Union undergoing basic reform. No other actor was faced with similar problems in making the outcome of the "two plus four" process acceptable domestically. The perception of the Soviet military and other parts of the *nomenklatura* had been totally distorted by decades of propaganda and isolation.

An increasing awareness of the threatening destabilization of the G.D.R. initially led the Soviets to cling to the traditional two-state solution.[1] Their reaction to Kohl's 10-Point Plan was negative because Soviet attention focused not on the stages of progressive cooperation between the two German states but on the passing reference to eventual unity. The official Soviet rhetoric during December 1989 thus condemned "the dangerous irrationality of destroying the postwar realities" in the name of German self-determination.[2] But the collapse of the communist regime in East Germany led to a relatively quick reassessment of the Soviet position. Just how far Gorbachev's thinking advanced can be derived from his remarks to Mitterrand at their meeting in Kiev on December 6, 1989, when Gorbachev said that it would be counterproductive to humiliate Germany, that Germany had a right to unity and that the time had come to work on a framework to accommodate this process. By the time the G.D.R.'s new prime minister, Hans Modrow, visited Moscow at the end of January 1990, the Soviet leadership had agreed to the principle of unity, but apparently only under conditions of neutrality. The decision came about under the tremendous pressure of events.

The internal Soviet debate finally began to address long-term options. The turn must have been brought about by the realization that it was counterproductive to oppose what had already begun to look like an inevitable process toward unification. It was not in the Soviet interest to jeopardize relations

[1] See the internal document prepared by Valentin Falin, quoted in *Die Welt*, Sept. 15, 1989, and the report by Vyacheslav Dashchichev, reproduced in *Der Spiegel*, Feb. 5, 1990, pp. 142–148. I have also learned that in the summer of 1989, at a conference of the Soviet foreign ministry, academics discussed the prospect of a threatening collapse of the G.D.R.

[2] Shevardnadze, in a speech before the Political Committee of the European Parliament, Dec. 19, 1989.

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with what would be Europe's most powerful economy and an indispensable partner both for Russia's economic recovery and its political reconciliation with western Europe.[3]

When Chancellor Kohl and Foreign Minister Genscher went to Moscow on February 10–11, the Soviet Union agreed to German unity more readily than expected. Gorbachev, moreover, agreed that unification should take place according to the principles of the 1975 Helsinki Final Act, thus implying Germany's freedom to preside over the process itself and to choose its alliance. As if to underscore its preparedness for radical change, Moscow announced the same day that it would be willing to withdraw all troops from central Europe if satisfactory arrangements could be made between East and West in talks on Conventional Forces in Europe and concerning the stationing of foreign troops in the two parts of Germany.

The Soviets nevertheless advanced a "plethora of proposals . . . in rapid succession and often with no compatibility among them," including the dissolution of both NATO and the Warsaw Pact, German military status in NATO similar to that of France, the formation of a center in Berlin to control all military forces in Germany, and German membership in both alliances.[4] The fact that Soviet pronouncements and policies were in constant flux, and often contradictory, reflected the enormous burden of a society in profound crisis, as well as internal disagreements and the tremendous problem of coming to grips with what was objectively a new and inherently difficult policy question.

VII

As the Federal Republic's most important allies in Europe, Britain and France followed strategies similar to each other. Yet some differences emerged. A few voices in the public sphere of both countries responded negatively to the prospect of unification, perhaps somewhat more spectacularly in Britain, where one Cabinet member, Nicholas Ridley, verbally attacked both Germany and France and was forced to resign.

[3] Such a turn of thinking toward stressing the positive potential of relations with a united Germany was already evident in the Academy Institutes on the occasion of Foreign Minister Genscher's visit to Moscow on Dec. 4–5, 1989. This and other information included in this section are based on interviews with officials by the author.

[4] Hannes Adomeit, "Gorbachev and German Unification: Revision of Thinking, Realignment of Power," *Problems of Communism*, July-August 1990.

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But both governments formally respected and endorsed Germany's right to unify. The general character of official French pronouncements, however, was more forthcoming and markedly different from the long row of skeptical remarks by Prime Minister Thatcher, who saw outright dangers in unification.

French public debate as well as government thinking revealed a certain degree of confusion on how to respond to German developments. This confusion was demonstrated, for example, in President Mitterrand's decision to visit East Germany in December 1989, as if to breathe life into the dying *ancien régime*. From the beginning, Mitterrand set two priorities that he consistently followed throughout the unification process. First, he attached particular importance to a definitive settlement of the border issue. Second, he tried to tie German unification to a strengthening of the European Community, extracting a firmer pledge on Economic and Monetary Union from Bonn, which he suspected of being not as forthcoming as its rhetoric suggested.

Prime Minister Thatcher, however, who had developed an increasing allergy to the supranational dimensions of European integration, followed a different course. She stressed the necessity of placing German unification in the larger context of all-European political and security arrangements and an adequate solution to Four Power rights. She frequently emphasized the necessity to slow down the process and to be mindful of European stability and Gorbachev's position. The British government also expressed concern that East Germany's integration in the European Community would jeopardize the EC's proper functioning.

Though both Britain and France endorsed the overall arrangements that included a united Germany's membership in the Atlantic alliance, their policies on NATO differed. Throughout the process the British government was an advocate of German NATO membership and of preserving as much of the existing alliance structures as possible. France, on the other hand, had serious conceptual difficulties in reconciling its old vision of "overcoming the blocs" with the new propositions that NATO should become a building block of the post-Cold War order and take on a more political character, which French policy had traditionally resisted.

In the end grand gestures in the Great Power tradition—like Mitterrand's trip to Kiev in December 1989—simply demonstrated the limits rather than the possibilities of French influ-

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ence. French policy pursued at the level of the European Community and exploring well-established relations with Germany provided the best avenue for influencing the unification process. Britain's impact on the process was jeopardized by Thatcher's apparent inability to play the "EC card," her personal idiosyncracies and insufficient exploitation of the professionalism of British diplomacy. While Thatcher tried to activate Britain's "special relationship" with the United States, daily cooperation between the Bush administration and Germany, as the main party concerned, was a clear American priority.

Both Britain and France initially even played with the idea of retaining elements of the Four Power rights. But once the "two plus four" formula was established in Ottawa, and the talks began, both countries unequivocally supported the concept of a fully sovereign Germany and constructively contributed to that outcome. Initial British and French hesitations did not have any lasting negative effect on their relations with Germany. This testifies to the strength of the relationships built up in the postwar period, but may also be due partly to the fact that many Germans themselves were initially skeptical, or even opposed, to unity.

VIII

The policy and allegiance of Germany, the center of Europe, was always a decisive factor in European history and a major stake in the Cold War. The definition of the security status of a united Germany was, therefore, bound to be the most important question to be resolved. Security issues were at the heart of the various national strategies interacting throughout the process that culminated in the Final Settlement. For the first time since the Geneva conferences, the German Question, with all its political, economic and military ramifications, was again the subject of international diplomacy.

This process was a complex interaction of negotiations resulting in a number of legally binding multilateral and bilateral agreements and a multitude of political arrangements. The "two plus four" process served as the strategic pivot. The first ministerial meeting in Bonn in May 1990 defined the multilateral or bilateral forums in which each of the various issues would be addressed.

For the West continued German membership in NATO was the cornerstone of the new European security order to be

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constructed along with unification. Gorbachev's reform program and foreign policy revolution notwithstanding, the Soviet Union or a future successor would remain a formidable conventional and nuclear military power. Should the Soviet Union reverse its policies, the Atlantic alliance and the American commitment to Europe would remain an indispensable reassurance. It was also argued that after the Cold War the alliance would remain necessary to prevent a renationalization of defense policies. It would provide the framework within which a united Germany could be integrated, a better alternative to a nonaligned status reminiscent of the interwar period. The conviction grew as well that the continuation of the Atlantic alliance served the security interests of the new democracies in central Europe, which desired an American commitment to the European status quo and the integration of Germany's potential.

For the Soviet Union acceptance of a united Germany's membership in NATO was inherently difficult. It not only represented the ultimate and most dramatic consequence of Gorbachev's retreat from unsustainable Soviet positions but implied the advance of Western values and structures into a region held at great cost throughout the postwar period. No other point would be of such sensitivity to the internal opposition to Gorbachev's new policies.

From the first moment of Bonn's internal discussions about the arrangements of unification, continued membership in NATO was considered essential.[5] German membership could not be, and indeed was not, the subject of any explicitly formulated agreement between East and West. Soviet recognition of Germany's right as a sovereign state to choose its alliance was at stake.

Western policy ultimately succeeded in inducing the Soviet Union to reconfirm Germany's right under CSCE principles to freely choose its alliance. Soviet willingness to do so was first signaled in Gorbachev's acceptance of German unity in his February 1990 meeting with Kohl and Genscher, and reconfirmed at President Bush's request at the U.S.-Soviet summit in May-June 1990. But ultimate certainty of Soviet approval was

[5] Some Social Democrats initially held different views, e.g., Egon Bahr and chancellor candidate Oskar Lafontaine, but by April 1990 the opposition endorsed the government position. See the SPD position paper, "Von der Konfrontation der Bloecke zu einem Europaeischen Sicherheitssystem," April 25, 1990.

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attained only in July 1990 at the final meeting between Gorbachev and Kohl in the Caucasus, when the totality of arrangements surrounding unification appeared satisfactory enough for Gorbachev to close the deal.

Among these arrangements the details of the military status of a united Germany within NATO were particularly important. To make the Soviet retreat from the G.D.R. militarily and politically more acceptable, Bonn proposed a special military status for eastern Germany, a proposal then endorsed by the U.S. administration and included in June 1990 in the nine "assurances" given to Gorbachev.

Special arrangements also had to be made for a transitional period to withdraw 380,000 Soviet troops and 220,000 civilians. The "two plus four" Final Settlement stipulated that a united Germany would arrange with Moscow the conditions for a Soviet presence and the schedule for its withdrawal, to be completed by the end of 1994. Such a treaty was indeed negotiated and signed after unification. It stipulated that, until the completion of the Soviet withdrawal, only German territorial defense units not integrated under NATO command could be stationed on the territory of the former G.D.R. During this transitional period, other allied forces could not be stationed there either, or carry out any other military activities, except in Berlin where American, British and French units could remain on the basis of bilateral agreements with the united German state.

After the withdrawal of Soviet forces, the special status of eastern Germany would end with regard to the German forces which could then be deployed under NATO command. But the special status of this territory would remain in so far as the stationing or deploying of foreign forces, nuclear weapons or their carriers is permanently prohibited. Germany could deploy aircraft and artillery in its eastern territory which, although nuclear-capable, would be equipped and designated only for conventional roles.

Due to Western, particularly American, influence the agreement reached in the Caucasus between Gorbachev and Kohl conceded less than the German government had envisaged in a February 1990 understanding between West German ministers of defense and foreign affairs. At that time, they had agreed that no units and installations of the Western alliance should be moved forward into the territory of the G.D.R. and that this would also "apply to the armed forces of the

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Bundeswehr, whether assigned to NATO or not."[6] A last-minute difficulty arose on the final day of the "two plus four" talks in Moscow, when the British insisted that the prohibition of deployment of foreign forces in eastern Germany should not rule out certain military activities, such as participation in maneuvers. The issue could only be resolved by adding an Agreed Minute to the Settlement, which left the application of the clause to the discretion of the German government, "taking into account the security interests of each contracting party."

The bilateral Transition Agreement on Soviet forces of October 9, 1990, dealt with a number of sensitive questions. The Red Army now had to adapt nearly overnight to living in a sovereign country on the basis of a freely negotiated agreement. The treaty had to settle details such as German financial and material support for the Soviet forces, and jurisdiction and administrative cooperation. Probably more important was Germany's agreement to contribute to the cost—13.5 billion Deutsche marks—of the stationing and withdrawal of Soviet troops.[7]

The psychology of withdrawal was no less important. Germany and the West had every interest in creating dignified conditions for the Soviet retreat. Germans committed themselves therefore to an acceptable transition period, to creating reasonably decent conditions for the departing soldiers and to preserving the Soviet war memorials on German soil.

In order to make German NATO membership acceptable to the Soviet Union, it had to be linked to the redefinition of the alliance's role in a post-Cold War order. At the North Atlantic Council meeting on June 7–8, 1990, the "Message from Turnberry" stressed NATO's determination to build a European order based on freedom, the rule of law and democracy, and offered to extend "the hand of friendship and cooperation" to the Soviet Union and all other European countries. The formula was incorporated into the London Declaration of the July 6, 1990, NATO summit, along with a number of other

[6] *Bulletin der Bundesregierung*, no. 28, Feb. 28, 1990, p. 218.

[7] Bonn pledged to contribute to the costs of stationing (3 billion DM until 1994), transportation of armed forces to be withdrawn (1 billion DM), retraining of soldiers for civilian jobs (200 million DM), and construction of housing in the Soviet Union for the redeployed Soviet troops and their families (7.8 billion DM). An additional interest-free loan of 3 billion DM (cost to Bonn: 1.5 billion DM) could be used by the Soviet Union for its own share of the stationing costs.

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proposals expressing the alliance's new orientation. These proposals included a joint declaration by the members of both alliances expressing their commitment to nonaggression, an invitation to the Soviet Union and east European countries to address the North Atlantic Council and to establish regular diplomatic links with NATO, as well as a revision of strategy that deemphasized nuclear weapons and moved away from "forward defense." All of these proposals were crucial to a Soviet Union that would have to live with a united Germany in NATO. If one is to believe Gorbachev and Shevardnadze, who publicly deemed it "constructive" and "a step in the right direction," the London Declaration, based largely on an American draft, significantly affected future developments.

A limitation on the size of German forces, originally conceived as one step in the second round of the negotiations on Conventional Forces in Europe (CFE), now had to be dealt with as an element in the overall arrangements leading to unity. The military potential of a united Germany was of particular importance to Moscow. The matter was also settled at the Kohl-Gorbachev meeting in the Caucasus with an agreement to limit German forces to 370,000 soldiers. To avoid discrimination against Germany, a unilateral declaration to this effect was made by the two German foreign ministers at the Vienna conference on conventional forces and then placed in the text of the Treaty on the Final Settlement.

A second constraint was the reconfirmation of Germany's renunciation of the manufacture, possession and control of nuclear, biological and chemical weapons. Germany's continued adherence to the Treaty on the Nonproliferation of Nuclear Weapons was also expressed at that time. The reduction of German forces by 40 percent and Germany's commitment to a continued non-nuclear status were meant to create in the eyes of the other powers a reasonable certainty that, even if political circumstances changed, Germany would not be able to reestablish itself as a great military power.

The successful conclusion of CFE talks and negotiations on Confidence- and Security-Building Measures in Europe, as well as the signing in November 1990 of the resulting documents, represented important elements in defining the framework for the security status of Germany. The CFE agreement envisages important reductions in armaments, common force ceilings and appropriate verification procedures. Once implemented, the agreement will profoundly change the European

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security environment and significantly enhance its stability. In the "Charter of Paris" the 34 CSCE member states declared an end to "the era of confrontation and division of Europe" and promised "a new era of democracy, peace and unity" for the continent.

The establishment of a new order in Europe would have been incomplete, perhaps impossible, without a redefinition of the Soviet-German relationship. That relationship had to be rebuilt in such a way as to signal the definitive end of enmity and the beginning of a new era of cooperation. It was imperative that Bonn itself, as a responsible member of the West, define that new role vis-à-vis the Soviet Union and to see itself as a guardian and promoter of the Western interest in progress and stability in eastern Europe. Surely, Bonn was acting in its own interest when it decided to invest considerable economic resources in the process associated with unification. But these measures also benefited the West as a whole, by contributing to the withdrawal of the Red Army from the center of Europe under tolerable conditions and by supporting perestroika.

After his meeting in the Caucasus with Gorbachev, Kohl surprised many by making and announcing important decisions that paved the way for the Final Settlement. Although these issues had all been the subject of prior consultation with the West, his style appeared to signal, at least symbolically, that Germany had become a fully sovereign country. Both Germany and the U.S.S.R. had previously agreed to express the qualitative change of their relationship in a bilateral treaty of cooperation, a draft of which was exchanged at the Caucasus meeting. The bilateral treaty, signed after the "two plus four" Final Settlement, envisions intensified cooperation, regular meetings on all levels and consultation in case of crises.

Outside attention focused on Article 3 of this treaty, which not only reconfirmed each nation's commitment to nonaggression but stipulated that "if one of the two states should become the target of aggression, then the other side will give the aggressor no military aid or other support." Contrary to concerns expressed in France, Germany did not consider this clause to affect its existing commitments to the West, since the treaty refers to their continued validity. Moreover, since NATO is a purely defensive alliance, the neutrality clause could apply only to aggression by a nation outside the alliance. Britain,

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France and the United States all received a treaty draft, and none raised objections at that time.

The vanishing of the G.D.R., the Soviet Union's most important trading partner in the Council for Mutual Economic Assistance (Comecon), created a multitude of problems for which the Federal Republic had to assume responsibility. To minimize the negative consequences for the Soviet Union, in a separate Treaty on Economic Cooperation Bonn guaranteed contracts and spare parts, and made arrangements on debt, payments and property issues. In doing so Bonn tried to convey to Moscow its determination to develop economic partnership after the demise of the G.D.R. As in the case of German contributions to financing the Soviet troop withdrawal, Bonn tried to find generous, sometimes quite costly, solutions for these issues, using the resource that Gorbachev most needed: economic support to facilitate unification.

IX

Germany's eastern borders were an issue not because of German territorial revisionism, though some such voices were to be heard, but because it was one of the important unresolved issues of World War II. Only a "final peace settlement," as stipulated by the Potsdam conference, could bring about the definitive recognition of borders by consent of the Four Powers, a united Germany as a sovereign actor, and Poland as the remaining party concerned. Therefore the actual outcomes—two treaties, one between Germany and the Four Powers, the other between Germany and Poland—would have looked roughly similar, even if the border issue had not become the object of domestic controversies and intense international attention. Once the "two plus four" process started, all participants agreed that the results would include a settlement of the border issue and that Poland would be invited to the July 1990 ministerial meeting in Paris where, in fact, a basic agreement was reached.

The Final Settlement described the existing borders of a united Germany, asked Poland and Germany to confirm their border by treaty and stipulated that a united Germany remove any formulations from its constitution that could be interpreted as questioning the definitive character of its borders. On November 14, 1990, Germany and Poland signed a border treaty, to be ratified after the Polish elections in 1991, in

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conjunction with a general treaty on bilateral relations, which both governments started negotiating in October 1990.

Legally the separate treaties the G.D.R. and the F.R.G. concluded with Poland in 1950 and 1970 could provide only an interim modus vivendi, even though overwhelming majorities in both German states regarded the territorial issue as historically settled on the basis of the Oder-Neisse line. The 1989 developments in Germany and Europe gave new political topicality to the German Question and the border issue. The sudden surge in right-wing votes in regional and European Parliament elections in 1989 prompted some conservative politicians to argue that, if the German Question was back on the international agenda, the border issue was inevitably included.[8]

Those who were against reopening this issue argued that the rise of democracy in Poland could be threatened by such a debate. Moreover even an implicit link to reopening the territorial issue was likely to create a European coalition against unification. Foreign Minister Genscher intervened in the debate in September 1989 with a clarifying statement at the United Nations: the Polish people "shall know that its right to live in secure borders will not be called into question by us Germans now or in the future through territorial demands." The West German parliament took up this formula in a resolution on November 8, 1989. But when Chancellor Kohl conspicuously failed to reiterate this position during his official visit to Poland in the following days, the Polish side became concerned that this ambivalence might suggest a hidden agenda.

The absence in Kohl's 10-Point Plan of an "eleventh point" addressing the border issue turned the matter into an international issue and triggered a host of statements from various governments stressing the final character of the border as a condition for unification. Moreover German concerns about a number of open questions to be settled with Poland, notably the rights of Poland's German minority, were often interpreted as proof of continued territorial revisionism. It took the German government some time to clarify that its legal position

[8] The Republicans reached 7.5 percent in West Berlin city elections and 7.1 percent of the F.R.G. vote in the elections to the European Parliament, with 14.6 percent in Bavaria.

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did not imply any intention to change the existing border.[9] The international debate about German intentions only ceased with the signing of the Final Settlement and the German-Polish border treaty.

Kohl's ambivalent handling of the border issue may have favored the final demise of the extreme right wing in the 1990 German elections and the marginalization of remaining opposition to an acceptance of a territorial settlement. But it created additional difficulties outside Germany with the process of unification. In the end, however, even the territorial issue could not slow down the momentum toward an outcome of historic proportions. Germany received its unity earlier than expected. All of its essential hopes and wishes have been fulfilled. Writing off in a credible manner one quarter of the former Reich's territory, lost in World War II, did not represent an obstacle to a settlement of the German Question within the larger context of European arrangements.

X

The four victorious powers of World War II retained special rights throughout the postwar period derived from the assumption of supreme authority over a defeated Germany in 1945. They held Berlin under military occupation and reserved the ultimate power of decision on all matters concerning Germany as a whole, its borders and a peace settlement.

These rights, therefore, represented the legal basis of the special role of the Four Powers in the negotiations leading to unification. The actual policy of each of the Four Powers was also influenced by additional factors deriving from decades of relations with the two German states and considerations about the future. Since the Four Powers agreed that the Germany to be created must enjoy unrestricted sovereignty from the moment of unification and that the existing borders would be reconfirmed, successful negotiations had to lead to the termination of their rights as well.

The Four Powers effected this in a declaration made in New York on October 1, 1990, at the conclusion of the "two plus four" talks. In order to ensure a timely transition to the new order, the Four Powers declared that, even prior to the ratification of the Final Settlement, they would suspend and

[9] Chancellor Kohl's speech in Paris on Jan. 17, 1990, *Bulletin der Bundesregierung*, no. 9, Jan. 19, 1990, p. 61.

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cease to apply their rights from the moment of Germany's unification on October 3, 1990.

XI

At midnight on October 2, 1990—in the final minutes of a divided Germany—the crowd in front of the Berlin Reichstag heard the local copy of Philadelphia's Liberty Bell ring out: a symbolic act intended to express political debt and gratitude. But many observers inside and outside Germany still must have asked themselves, is the German Question finally resolved?

To the outside world, at least, the German Question always had two meanings: ensuring the future of democracy in Germany and coping with a common German state. The absence or weakness of democracy in Germany had always posed a problem for neighboring European democracies, particularly in combination with the second aspect of the German Question, unity. Since Germans are more numerous than any other peoples in Europe except Russians, and given their dynamic and highly developed industry, the sheer weight of a unified Germany represented a problem. From the historical perspective of the outside world, the worst imaginable combination was a powerful united Germany under a nondemocratic regime. Such a configuration was responsible for two major catastrophes this century. The problems of democracy in Germany and of a unified German state have, therefore, always been European questions, par excellence.

The Cold War found a provisional answer to both concerns. The problem of democracy in Germany was handled by the two victorious camps in their own way: a liberal democracy along a Western model emerged with the support of the Western allies in the Federal Republic, and a socialist "democracy" according to the Soviet model developed with the help of Moscow and its repressive G.D.R. apparatus. The problem of a common German state was eliminated by the East-West partition of Europe that cut Germany into two states. Neither was sufficiently powerful to be perceived as a threat by others.

The Federal Republic of Germany as it existed between 1949 and 1990 was thus a product of the Cold War, a "twin sister of NATO" that regained its sovereignty in a carefully managed international process and emerged first within Western structures and later vis-à-vis the East and on a global

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level.[10] The Federal Republic therefore was not a regime that created a foreign policy, but a foreign policy that created a regime.[11] The united Germany of 1990 is, in turn, the product of a transition to a new European order and could not have come about without a number of fundamental changes in the international environment replacing the Cold War.

The new united Federal Republic of Germany is as much an outcome of an international constellation as the old Federal Republic of 1949. Neither, however, came into being as the product of an outside diktat. Rather each emerged in conjunction with legitimizing domestic forces, contested in Adenauer's day, but endorsed in 1989–90 by a consensus of the major political parties. As for the future, one can assume that the international circumstances that brought about the unification of Germany are likely to influence and shape the foreign policy of a united Germany as decisively as they did after the creation of the Federal Republic in 1949.

XII

When German unification appeared as a possibility on the horizon, an international debate started about the power of the new state that would come into being. "A united Germany: the new superpower" was a description that summed up the views of many commentators in 1989–90.[12]

But what does "German power" mean in the modern world? If it is understood as economic power, it does not represent a potential easily available for governmental action. German economic power represents, above all, the combined resources of a predominantly private market economy, consisting of countless independent economic actors, many not even German, but foreign or internationally controlled. To be sure, the weight of this economy, or of its specific sectors or companies, is considerable; but it plays its role in a larger, international arena characterized by competition, constantly shifting coalitions of economic actors, and hierarchies of influence.

Germany is part of the European Community. German action in many crucial areas has become part of European decision-making, thus circumscribing German national auton-

[10] Alfred Grosser, *Die Bundesrepublik Deutschland: Bilanz einer Entwicklung*, Tuebingen: Wunderlich, 1967, p. 12.

[11] See Karl Kaiser, *German Foreign Policy in Transition*, London: Oxford University Press, 1968.

[12] Title of a special issue of Newsweek (Paris edition), Feb. 26, 1990.

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omy through the involvement and voting power of other governments, the Commission, the European Parliament and the European Court of Justice. Germany's unification has given impetus to a strengthening of the EC by initiating further moves toward economic, monetary and political union.

A united Germany also inherits the burden of a totally run-down region in the east, which will absorb enormous resources in years to come. The number of states united in the German federation has increased from 11 to 16, thus complicating Germany's decision-making process to a degree that is likely to affect its relations with the outside world. Moreover, if a capacity to exercise power relates to military instruments, it should be noted that the united Germany has voluntarily agreed to an upper limit on its armed forces and reconfirmed its non-nuclear status as well as the integration of its forces in the multilateral structures of the Western alliance.

Power requires the willingness to exercise it. In this respect Germany continues to live under the profound impact of the excesses of power in its own twentieth-century history. The resulting *Machtvergessenheit* (obliviousness to power) was sufficiently strong during the controversies over nuclear weapons deployments in the early 1980s to be criticized by the same European countries concerned about German power in 1990.[13]

As Germany enters the international arena, its policies and predispositions reflect lessons from the past and are based on a commitment: to multilateralism, to a further strengthening of European integration, to continued friendship with Western partners, to a new relationship of cooperation with the Soviet Union, to special concern for the fate of the young east European democracies, to a successful management of the international economy and to progress in the developing world. A united Germany, free of the East-West confrontation on its soil and now one of the world's wealthiest democracies, must face a novel and difficult task: to reconcile its postwar foreign-policy traditions with the new responsibilities that inevitably accompany its enhanced position and require the—sometimes unpopular—use of its political, economic and military resources in partnership with others to preserve peace on an unstable globe.

[13] Hans-Peter Schwarz, *Die gezähmten Deutschen: Von der Machtbesessenheit zur Machtvergessenheit*, Stuttgart: Deutsche Verlags-Anstalt, 1985.

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CHRONOLOGY 1990

Edited by Peter Hayes

THE UNITED STATES
(See also country, regional and topic entries.)

JAN. 16. Senate minority leader Robert J. Dole (R-KS) proposes that US reduce aid levels to leading recipient countries including Israel, Egypt, Turkey, Pakistan and Philippines, so that increased funds may be directed toward Eastern Europe, Panamanian reconstruction and war against drug traffic.

JAN. 24. House of Representatives votes 309–25 to reject President George Bush's veto of bill to prohibit deportation of Chinese exchange students in US. Senate vote next day is 62–37 against veto, 4 votes short of two-thirds necessary to override.

JAN. 25. President Bush proposes $1 billion package of aid to Panama, including $500 million to help Panama repay its foreign debt, $42 million from Agency for International Development to help restore housing destroyed in 12/89 US invasion, $40 million in Export-Import Bank guarantees, and import quota on Panamanian sugar valued at $428 million.

JAN. 29. Bush administration proposes $1.23 trillion budget for fiscal year 1991.

JAN. 31. President Bush presents his first State of Union address to Congress; proposes that US and Soviets establish ceiling of 225,000 troops each on forces stationed in Europe, with limit of 195,000 troops each on forces stationed in central Europe.

FEB. 28. Space shuttle *Atlantis* is launched from Cape Canaveral on secret military mission; reportedly deploys $500 million spy satellite. Shuttle returns safely to earth 3/4. Defense Department announces 3/17 that satellite has suffered "disabling malfunction" and will fall harmlessly from orbit within four weeks.

MAR.5. Trial of former National Security Adviser John M. Poindexter on charges of obstruction of Congress and making false statements to Congress in Iran-contra affair opens in federal district court in Washington, DC. Poindexter is convicted 4/7; sentenced 6/11 to 6 months in prison.

APR. 11. President Bush issues executive order protecting all Chinese nationals from deportation until 1/94.

APR. 22. "Earth Day 1990" is marked by large pro-environment demonstrations in many US cities.

APR. 24. Space shuttle *Discovery* is launched from Cape Canaveral. Shuttle deploys Hubble Space Telescope in orbit around Earth 4/25. NASA reports 6/27 that telescope's mirrors are defective.

MAY 1. House of Representatives passes (218–208) $1.2 trillion fiscal year 1991 spending plan. Senate Budget Committee approves spending plan 5/2. White House and congressional leaders from both parties agree 5/9 to hold budget "summit"; administration/congressional negotiations begin 5/15.

MAY 24. House of Representatives passes 1990 supplemental spending bill providing $420 million in aid to Panama and $300 million to Nicaragua. Chile, Caribbean and Africa are granted additional $55 million; US refugee programs receive $75 million; Israel receives loan guarantees of $400 million to house Soviet Jewish immigrants. Senate passes bill 5/25.

JUNE 26. President Bush offers budget deficit reduction plan to Congress. Following lack of progress in budget talks between Bush administration and Congress, President Bush backs away from 1988 campaign promise of "no new taxes," issuing written statement advocating "tax revenue increases."

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JULY 16. President Bush revises his Foreign Intelligence Advisory Board; names former Texas Senator John G. Tower chairman.

JULY 20. Justice William J. Brennan retires from Supreme Court, citing advancing age; President Bush 7/23 nominates Court of Appeals Judge David H. Souter as Brennan's successor. Senate confirmation hearings are held 9/13–19. Souter is approved by Senate 10/2 by vote of 90–9 and is sworn in 10/8.

— US Court of Appeals in Washington, DC, suspends all 3 Iran-contra affair felony convictions against former National Security Council staff member Oliver L. North.

AUG. 1. Budget negotiations between Congress and administration officials break off after little progress is made; both sides announce plans to resume talks 9/90.

AUG. 10. Following 8/2 Iraqi invasion of Kuwait, President Bush officially notifies Congress that he has sent troops to defend Saudi Arabia, although he does not formally invoke 1973 War Powers Act, holding that hostilities are not "imminent."

SEPT. 17. Secretary of Defense Richard B. Cheney relieves Gen. Michael J. Dugan of duties as Air Force chief of staff after Dugan's remarks concerning sensitive elements of US Persian Gulf strategy are quoted in *The Washington Post* and *The Los Angeles Times* 9/16.

SEPT. 18. UN General Assembly opens its 45th session in New York. World Summit for Children, attended by 71 world leaders, opens 9/30.

SEPT. 30. President Bush announces 5-year federal budget deficit reduction plan negotiated with congressional leaders of both parties; makes televised speech 10/2 asking for public support of plan. House of Representatives votes down plan 10/5 by 254–179; both houses pass stopgap spending bill. President Bush vetoes spending bill 10/6; House fails to override veto 260–138, forcing temporary shutdown of federal operations. House 10/8 passes new budget compromise 245–164. Senate 10/9 approves budget resolution by vote of 66–33. President Bush signs stopgap spending bills 10/9 and 10/19.

OCT. 1. House of Representatives votes 380–29 for resolution supporting President Bush's actions "with respect to Iraqi aggression in Kuwait"; Senate approves similar resolution 10/2 by vote of 96–3.

OCT. 17. Secretary of State James A. Baker gives testimony concerning Persian Gulf crisis before Senate Foreign Relations Committee; testifies before House Foreign Affairs 10/18; resists demands for greater congressional involvement in decision-making.

OCT. 24. House and Senate leaders reach agreement on federal budget deficit reduction plan; House and Senate authorize emergency government spending through 10/27. House 10/24 approves by voice vote defense authorization bill for fiscal 1991; Senate votes 80–17 to approve defense authorization 10/26. House approves final deficit reduction plan 10/27 by 228–200 margin; plan increases top tax rate to 31% from 28%, increases excise taxes, cuts farm subsidies and student loans; Senate passes plan 10/27 by vote of 54–45. Both houses 10/27 approve fiscal 1991 appropriations bill authorizing $15.39 billion in foreign aid, cutting aid to El Salvador by half and authorizing President Bush to forgive Egypt's $7 billion military debt to US. 101st Congress adjourns 10/28. President Bush signs 13 appropriations bills and deficit reduction package 11/5.

NOV. 6. In national elections Democrats gain 1 seat in Senate, giving them 56 seats to Republicans' 44; Democrats gain 8 seats in House to gain 267–167 advantage over Republicans. Independent candidates win 2 governorships, Democrats lose total of 1 and Republicans total of 2; 1 gubernatorial race remains undecided.

NOV. 8. US Drug Policy director William J. Bennett resigns post. Bush 11/30 nominates outgoing governor of Florida Bob Martinez to succeed Bennett.

NOV. 14. President Bush meets with congressional leaders concerned that his

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policy is leading US toward war; Bush pledges to consult Congress before force is used, unless Iraq provides sudden provocation.

Nov. 27. Senate Armed Services Committee opens hearing on Bush administration policy in gulf crisis. Committee Chairman Senator Sam Nunn (D-GA) criticizes administration's 10/8 decision to double US military forces in gulf. Defense Secretary Cheney testifies 12/3 that military action is only sure way of forcing Iraqi troops to leave Kuwait. Senate Democrats sharply criticize administration policy 12/5, when Director of Central Intelligence William H. Webster appears before Armed Services Committee and Secretary of State Baker appears before Foreign Relations Committee.

Dec. 10. Special committee formed to study future of nation's space program recommends overhaul of National Aeronautics and Space Administration policy, urging greater emphasis on unmanned spacecraft.

Dec. 19. Deputy commander of US forces in gulf region, Lieut. Gen. Calvin A. H. Waller, tells reporters that US forces will not be fully ready to attack Iraq by 1/15/91 deadline set by UN.

THE UNITED STATES AND THE WORLD ECONOMY

Jan. 5. European Community reaches agreement to devalue Italian lira within European Monetary System, first realignment of EMS in 3 years.

Mar. 2. Japanese Prime Minister Toshiki Kaifu travels to Palm Springs, CA, to meet with President Bush; Kaifu 3/3 promises to take steps to base future Japanese growth less on exports and more on domestic consumer demand.

Mar. 23. Japanese and American trade negotiators announce trade pact to make Japan more open to imports of US-made supercomputers. US and Japan 4/5 announce plans to eliminate several barriers to free trade.

Mar. 29. Mexico announces it will resume policy of swapping commercial debt for equity (30-year US zero-coupon bonds), suspended in 1987.

Apr. 7. Economic ministers of Group of Seven leading industrial nations meet in Paris; express concern over decline in value of Japanese yen; discuss impending unification of economies of East and West Germany and events in Eastern Europe; discuss projected capital increase for International Monetary Fund (IMF).

Apr. 27. President Bush cites India as unfair trading partner, under terms of "Super 301" provision of 1988 Omnibus Trade Act.

May 3. Organization of Petroleum Exporting Countries (OPEC) oil ministers, meeting in Geneva, pledge to reduce production in order to combat falling oil prices worldwide.

May 6. Finance officials from Group of Seven nations, meeting in Washington, DC, agree to increase lending resources of IMF by 50%; basic funds are to be increased to $175 billion from $116 billion.

May 9. At UN-sponsored meeting concerning depletion of ozone in Earth's upper atmosphere, US acting deputy assistant secretary of state presents formal opposition to UN plan to provide direct aid to Third World countries to ease reduction in use of ozone-depleting chlorofluorocarbons. US reverses stand 6/15, pledges $256 million to fund over 3 years.

May 16. Soviet Union is granted observer status in General Agreement on Tariffs and Trade organization.

June 10. President Bush and Mexican President Carlos Salinas de Gortari, meeting in Washington, DC, announce agreement in principle to move toward talks concerning proposed US-Mexican free-trade pact.

June 26. Brazilian Finance Minister Zelia Cardoso de Mello announces reduced tariffs on imported goods and promises to introduce legislation to protect intellectual property rights of foreign producers. US Special Trade Representative Carla

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A. Hills 6/27 indicates US will lift 100% retaliatory tariffs set on Brazilian goods in 1988. Brazil drops tariffs protecting domestic computer industry 9/12.

JUNE 27. President Bush proposes Enterprise for the Americas Initiative, designed to encourage growth in Latin America, partly by forgiving as much as 50% of Latin American debt to US and partly by creating hemispheric free-trade zone.

JUNE 28. US and Japanese trade negotiators, in Strategic Impediments Initiative talks, sign agreement committing both nations to reform their domestic economies with aim of reducing trade imbalance; Japan agrees to increase spending on public works projects and to undertake antitrust actions; US pledges to reduce its budget deficit and spend more on education and research and development.

JUNE 29. UN-sponsored meeting in London, attended by representatives of 93 nations, agrees to halt production of chlorofluorocarbons by end of century and to establish fund to aid underdeveloped nations to end use of CFCs.

JULY 9. Leaders of Group of Seven nations meet in Houston; agree 7/11 to study feasibility and usefulness of possible economic aid to USSR, to pursue end to farm subsidies, to delay until 1992 decisions about reducing emissions of gases suspected of causing global warming.

JULY 25. OPEC oil ministers open meeting in Geneva; to satisfy Iraqi demands, ministers agree 7/27 to increase crude oil price 20%, to $21 per barrel, and to raise OPEC production ceiling.

AUG. 2. Iraqi invasion of Kuwait causes oil prices to rise to $23.11 per barrel. Price rises above $28 per barrel 8/6; New York Stock Exchange drops 93.31 points in biggest one-day fall since 10/89. OPEC 8/29 authorizes member nations to increase production to maintain normal oil supply during gulf crisis.

SEPT. 25. IMF and World Bank open 45th annual joint meeting in Washington, DC. President Bush, speaking before meeting, announces formation of 17-nation Gulf Crisis Financial Coordination Group to aid nations adversely affected by Persian Gulf situation.

SEPT. 26. President Bush authorizes release of 5 million barrels of oil from US Strategic Petroleum Reserves in attempt to lower oil prices.

DEC. 6. Latin American nations withdraw their delegates from sessions of Uruguay Round of General Agreement on Tariff and Trade negotiations, when it becomes clear that European nations will not reduce agricultural protection. Talks are suspended indefinitely 12/7.

DEC. 18. US Federal Reserve, in recognition of economic recession, reduces discount rate it charges on loans to banks to 6.5%.

WESTERN EUROPE AND CANADA

JAN. 13. Turkey begins filling new dam on Euphrates River, requiring river flow to be cut 75% for 1 month; Turkish President Turgut Özal pledges never to use flow to coerce downstream Syria or Iraq.

FEB. 6. West German Economics Minister Hans Haussmann announces plan to make West German mark sole currency for East and West Germany; no timetable or exchange rate is suggested.

FEB. 15. Government of Swedish Prime Minister Ingvar Carlsson resigns after losing parliamentary vote on economic austerity plan. Carlsson 2/23 introduces new plan dropping wage freeze; parliament votes 2/26 to support new plan, returning Carlsson's government to power.

MAR. 7–11. Special congress of Italian Communist Party held in Bologna; approves reform program designed to reorient party toward social democracy.

MAR. 8. Protest by 4,000 people in London's borough of Hackney against British government's planned community charge, or "poll tax," turns violent; 60 are arrested; 29 policemen are hurt. London protest march 3/31 involving approxi-

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mately 40,000 people turns into riot; more than 400 are injured and 341 are arrested.

MAR. 13. Irish Supreme Court refuses to extradite to Britain 2 Provisional Irish Republican Army (IRA) members who escaped from imprisonment in Northern Ireland; cites "probable risk" of prison assault.

MAR. 28. British police arrest 5 and seize US-made electronic trigger for nuclear weapons at London's Heathrow Airport; arrested include manager of Iraqi Airways in London and several officers of Euromac, apparent Iraqi front.

APR. 8. In Greek parliamentary voting, conservative New Democracy Party wins 150 seats in 300-seat parliament; rival Pan-Hellenic Socialist Party captures 123 seats and Communists win 19 seats. After New Democracy wins backing of a center-right Democratic Renewal Party deputy, party leader Constantine Mitsotakis is sworn in 4/11 as prime minister.

APR. 10. President Bush and Canadian Prime Minister Brian Mulroney meet in Toronto; discuss situation in Eastern Europe and possible US and Canadian responses.

APR. 11. Shipment of British-made steel tubes bound for Iraq is seized by British customs officials; Iraq is suspected of intending to make giant missile artillery.

APR. 25. West German Social Democratic candidate for chancellor Oskar Lafontaine is stabbed in throat by crazed woman at campaign rally in Cologne, but is not fatally wounded.

APR. 28. Summit of European Community leaders in Dublin agrees to examine proposals to increase political cooperation among members of EC; agrees to authorize foreign ministers to present more detailed proposals for political union to next EC summit in 6/90. Leaders also agree to welcome unified Germany into EC.

MAY 4. Greek parliament elects conservative Constantine Karamanlis to be president; Karamanlis (153 votes) defeats Socialist candidate Ioannis Alevras (125 votes) and Communist Constantine Despotopoulos (21 votes).

MAY 6–7. In Italian regional elections, Communist Party receives 24% of votes, down from 30% in last elections in 1985. Lombard League, advocating greater regional autonomy, receives 20% of votes in Lombardy.

MAY 10. Jewish cemetery in Carpentras, France, is discovered to have been desecrated. In Paris 5/14, 80,000 marchers protest antisemitism and racism.

JUNE 3. British Social Democratic Party votes in London to disband. Following 1987 general election, most of Social Democratic Party had joined with Liberal Party to form Social and Liberal Democrats.

JUNE 9. Canadian Prime Minister Mulroney and premiers of Canada's 10 provinces reach agreement designed to address stiff opposition to 1987 Meech Lake accord, which declares Quebec a "distinct society" within Canada in effort to gain Quebec's adherence to Canadian constitution. Efforts to win approval of measure in Manitoba and Newfoundland assemblies fail 6/22, effectively killing accord; Mulroney acknowledges Meech Lake's defeat.

JUNE 25–26. EC leaders hold summit meeting in Dublin; agree to study possible financial assistance to Soviet Union.

JULY 8. Greece and US sign agreement on US bases in Greece; would close 2 bases near Athens but maintain air and naval base at Souda Bay on Crete. Greece is to receive credit to buy US weaponry; agreement reaffirms 7–10 ratio for US military aid to Greece and Turkey, respectively. Greek parliament ratifies agreement 7/24.

JULY 12. British magazine, *The Spectator*, prints interview with British Secretary of State for Trade and Industry Nicholas Ridley in which he vociferously criticizes Germany and Germans; West German government protests. Ridley resigns under fire 7/14; Prime Minister Thatcher names Peter Lilley to succeed him.

JULY 27. French government pardons, releases from prison and deports to Iran 5 men convicted of 1980 attempt to assassinate former Iranian Premier Shapour Bakhtiar in Paris.

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JULY 30. British Conservative Member of Parliament Ian Gow, critic of IRA and friend and adviser to Prime Minister Thatcher, is killed by bomb attached to his car; IRA claims responsibility 8/31.

OCT. 5. Britain announces it will join exchange rate mechanism of European Monetary System on 10/8, effectively linking value of pound to that of West German mark.

OCT. 7. In Austrian general elections ruling Socialists capture 43% percent of vote to win 81 seats in parliament, gain of 1 seat. Conservative People's Party falls to 32% of vote from 41% in 1987, reducing parliamentary representation to 60 seats from 77. Rightist Freedom Party increases its share of vote to 16.6% from 9%, and its parliamentary seats to 33 from 18.

OCT. 24. One civilian and 6 British soldiers are killed when IRA terrorists force 3 civilians to drive car bombs up to 2 army checkpoints and an army camp in Northern Ireland.

OCT. 26. Swedish Prime Minister Carlsson announces his Social Democratic government will seek membership for Sweden in EC. Swedish parliament votes 198–105 to approve policy 12/12.

OCT. 27. Leaders of EC open summit in Rome; all leaders except Britain's Prime Minister Thatcher 10/28 announce their support for creation of unified central bank for EC by 1994. British Deputy Prime Minister Sir Geoffrey Howe resigns 11/1 in protest against Thatcher's opposition to greater European economic integration.

OCT. 29. Norway's Center Party, in disagreement over Norway's bid to enter EC, backs out of Prime Minister Jan P. Syse's center-right coalition, bringing down government. Labor Party leader Gro Harlem Brundtland forms government 10/30 and is sworn in as prime minister 11/3.

NOV. 5. Estimated 30,000 students protest in Paris in support of increased government spending on education. Demonstration by 150,000 students 11/12 turns violent; 100 cars are burned and 120 shops are looted; government of Premier Michel Rocard agrees to increase education spending 11/15.

NOV. 7. First round of presidential voting is held in Ireland; governing Fianna Fáil candidate Brian Lenihan captures 44% of vote, Mary Robinson of Labour Party and Workers' Party takes second with 39%; Austin Curry of Fine Gael party places third with 17% and is eliminated from runoff. In runoff held 11/9, Robinson captures 53% to Lenihan's 47%. Robinson is sworn in 12/3.

NOV. 11. Former British Deputy Prime Minister Howe delivers vitriolic parliamentary attack on EC policy of Prime Minister Thatcher. Former British Defense Secretary Michael Heseltine announces 11/14 he will challenge Thatcher for leadership of Conservative Party and prime ministership. Vote among Conservative MPs 11/20 is 204–152, with 16 abstentions, in favor of Thatcher, short of 15% majority needed to reelect her on first ballot. Thatcher 11/22 informs cabinet and Queen Elizabeth II she will not seek reelection and will resign within week; Thatcher officially resigns 11/24. Conservative Party parliamentary caucus votes for new leader 11/28; Chancellor of Exchequer John Major takes 185 votes, 2 short of absolute majority needed to win; Heseltine captures 131 votes and Foreign Secretary Douglas Hurd takes 56; Heseltine and Hurd withdraw from race, making Major Conservative Party leader and prime minister. Major appoints cabinet 11/28. Major, appearing before Parliament 11/29, promises review of EC policy and poll tax.

DEC. 1. Small hole 100 meters long is drilled to connect British and French sections of tunnel being built under English Channel. British and French workers climb through enlarged opening and shake hands 12/1.

DEC. 2. Unified Germany holds first general elections; Chancellor Kohl's governing Christian Democratic Union/Christian Social Union captures 44% of vote to take 319 seats in 662-seat Bundestag (lower house); allied Free Democrats win 11% of vote and 79 seats. Opposition Social Democrats win only 33.5% of vote, giving

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them 239 seats in Bundestag; Party of Democratic Socialism (formerly Communist Party) wins 17 seats and East German Green Party receives 8; West German Greens and right-wing Republican Party receive less than 5% and fail to win parliamentary representation. CDU takes 40% of vote in Berlin municipal elections; mayoral candidate Eberhard Diepgen proposes "grand coalition" government.

DEC. 3. Chief of Turkish armed forces, Gen. Necip Torumtay, resigns, implies criticism of President Özal's pro-Western policy in gulf crisis. Özal is reported 12/4 to have told US that Turkey may send troops against Iraq and allow US to use air base near Iraqi border if Iraq attacks Turkey.

DEC. 12. In Danish general elections, Premier Poul Schlüter's Conservative Party drops to 30 parliamentary seats from 35; Schlüter's ruling nonsocialist coalition captures 66 seats, total drop of 1 seat since last elections. Schlüter announces 12/13 he will form new coalition government.

DEC. 14. Leaders of EC open summit in Rome; announce agreement to provide Moscow with $1 billion in emergency food and medical aid and approximately $1.4 billion in additional technical assistance. Leaders 12/15 ratify Soviet aid package, announce they will ease sanctions against South Africa following expected repeal of Group Areas and Land acts there, warn Iraq to withdraw completely from Kuwait, and formally open negotiations to reorganize EC into political federation with common currency and shared foreign and security policies.

THE SOVIET UNION AND EASTERN EUROPE

JAN. 1. Poland implements radical economic reform program, including price increases, wage freezes and currency decontrol.

JAN. 4. Romania's governing National Salvation Front announces that it will field candidates to compete in free multiparty elections to be held in April. Nationwide demonstrations against front are held 1/7. Interim President Ion Iliescu and Interim Premier Petre Roman are jeered by demonstrators in Bucharest 1/12; Iliescu announces ban on Communist Party, promises to hold national referendum on restoring death penalty and pledges national commission to hear citizens' grievances against provisional government. Ban on Communist Party is lifted 1/18 and capital punishment referendum is canceled. Government 1/23 agrees to opposition demand to delay national elections until 5/20, and allow UN election monitors. Unauthorized demonstrations are outlawed 1/24. Approximately 20,000 demonstrate against regime 2/28–29; counter-demonstrators 1/29 besiege offices of opposition National Peasants Party and National Liberal Party. Front agrees 2/1 to allow opposition representation in interim parliament.

— Western reporters are barred from covering nationalist rioting in Soviet republic of Azerbaijan. Azerbaijani demonstrators 1/6 destroy border stations along Soviet-Iranian border.

JAN. 5. General strike is called by Bulgarian nationalists to protest repeal of programs designed to force ethnic-Turkish assimilation. Anti-Turkish protests are halted 1/8 with convening of citizen's commission to defuse ethnic tensions. Commisssion 1/12 issues compromise resolution allowing freedom to choose Turkish or Slavic names and to practice any religion; Bulgarian is declared national language and display of foreign flags is forbidden.

JAN. 8. Eastern bloc Council for Mutual Economic Assistance meets in Sofia. Members vote 1/10 to adopt free-trade approach, including hard-currency deals and bilateral agreements with other nations.

JAN. 11. President Gorbachev begins 3-day visit to Soviet republic of Lithuania in effort to convince Lithuanian Communist Party to rescind 12/89 decision to break with Communist Party of Soviet Union; 250,000 hold nationalist rally in Vilnius. Gorbachev walks through streets of Vilnius and speaks to crowd at factory; says that Supreme Soviet is drafting laws governing secession from Soviet Union but does

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not give details; denounces move toward Lithuanian declaration of independence as "folly." Vytautas Landsbergis, leader of independence movement Sajudis, 1/12 rejects Gorbachev's pleas and assurances as "propaganda trap." Gorbachev ends visit 1/13, declaring, in speech to Lithuania's party officials, that USSR "should not be afraid of multiparty system." Algirdas Brazauskas, head of breakaway Lithuanian Communist Party, is overwhelmingly elected president of republic by Lithuanian Supreme Soviet 1/15.

— Anti-Armenian demonstrations break out in Lenkoran, Azerbaijan. Azerbaijani youths riot in Baku 1/13–14, killing at least 30. Soviet President Gorbachev 1/15 declares state of emergency in Azerbaijan and approves airlifting of 11,000 troops to restore order. White House and US State Department 1/16 release statements supporting use of Soviet forces to maintain order in Azerbaijan.

JAN. 15. Bulgaria's Grand National Assembly (parliament) unanimously revokes constitutional provision guaranteeing Communist Party dominant role in society and politics.

— Several thousand East German protesters push their way into East Berlin headquarters of state security service, where they destroy documents and break furniture and windows.

JAN. 18. Czechoslovak Prime Minister Marián Čalfa resigns as member of Communist Party; remains prime minister.

JAN. 20. Soviet troops, tanks and armored personnel carriers enter Baku; Azerbaijani nationalists report that at least 50 people are killed. Radio Tehran reports 1/22 that Soviet-Iranian border has been sealed. Official death toll in Baku 1/23 reaches 93. Soviet forces 1/24 shell oil tankers conducting nationalist blockade of Baku harbor. Soviet forces stage mass arrest of members of Azerbaijan Popular Front 1/25.

— Extraordinary congress of Yugoslavian League of Communists in Belgrade dissolves into dispute between liberal Slovenes and traditionalist Serbs. Delegates 1/22 vote 1,626–28 to renounce party's constitutionally guaranteed "leading role"; after further reforms are voted down, 160 Slovene delegates walk out of congress. Congress is adjourned 1/23. Slovene League of Communists secedes from national organization 2/4.

JAN. 22–23. Central Committee of Albanian Workers' (Communist) Party holds plenum; committee votes to decentralize decision-making within party and to allow multicandidate elections for Central Committee and National Assembly positions. Limited free-market reforms are also adopted.

JAN. 24. Anti-Serbian rioting breaks out in autonomous province of Kosovo, ethnic Albanian-majority region of Yugoslavian republic of Serbia; by 2/1 official death toll is 19. State of emergency is declared in Kosovo 2/1.

JAN. 27. Congress of United Workers' (Communist) Party opens in Warsaw. Delegates vote 1/28 to dissolve party and create new Social Democracy Party.

JAN. 30. Under terms of interim power-sharing arrangement, Czechoslovakia's Communist Party surrenders more than 100 seats in Federal Assembly to opposition; Communist representation in 350-seat assembly falls to 139 from 242.

FEB. 1. East German Prime Minister Hans Modrow presents plan for gradual reunification of East and West Germany.

FEB. 3. Plenum of Central Committee of Communist Party of Soviet Union opens in Moscow. Estimated 300,000 prodemocracy demonstrators march through Moscow 2/4. Committee 2/7 votes to suggest to national legislature that Article 6 of Soviet constitution, mandating Communist Party's monopoly of political power in USSR, be renounced.

— Reformist Andrei Lukanov is nominated and confirmed by parliament as Bulgarian prime minister. Government announces 2/6 that Communist Party's role in military and police is ended, and that country's secret police force is being disbanded.

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FEB. 5. Eight members of political opposition groups are added to East German cabinet; Communist Party assumes minority status in body, holding 16 of 35 seats.

FEB. 8. Bulgarian Premier Lukanov appoints new cabinet composed entirely of Communists. Eighty thousand gather for anticommunist demonstration sponsored by Union of Democratic Forces in Sofia 2/25.

FEB. 12. Rioting breaks out in Dushanbe, capital of Soviet republic of Tadzhikistan, over rumors that Armenian refugees are receiving housing preference. Soviet news agency TASS 2/15 reports death toll in rioting is 18.

FEB. 16. Club of Paris group of creditor nations agrees to reschedule Poland's repayment of $9.4 billion of its $39 billion debt to Western governments.

FEB. 24. Multiparty elections are held for legislative and local offices in Lithuania; candidates supported by nationalist group Sajudis (including some Communists) win 72 of 90 decided seats in 141-seat Lithuanian Supreme Soviet. Communists capture 29 seats, but all but 7 of those belong to breakaway Lithuanian Communist Party. Runoff election for remaining 28 Supreme Soviet seats is held 3/4; Sajudis-endorsed candidates win 18, meaning that 90 of 141 members of republic's Supreme Soviet support independence.

FEB. 25. Prodemocracy marches are held in at least 32 Soviet cities; Western press estimates 100,000 march in Moscow.

— Soviet republic of Moldavia holds elections for local and legislative offices; candidates backed by nationalist Popular Front capture 43 of 140 decided seats in 380-seat parliament.

FEB. 26. Soviet Union and Czechoslovakia sign document in Moscow calling for phased withdrawal of all Soviet troops from Czechoslovakia. Withdrawal, to commence immediately, is to be completed by 7/91.

MAR. 4. Nonpartisan elections for local and legislative offices are held in Soviet republics of Russia, Ukraine and Byelorussia; reformists do well, but most races are undecided due to requirement that candidate must receive 50% of vote. Radical former Moscow party chief Boris N. Yeltsin is elected to seat in Russian Supreme Soviet. Zenon Poznyak, nationalist leader, is elected to Byelorussian Supreme Soviet seat. In runoff elections held 3/18, opposition wins control of Moscow, Leningrad and Kiev city councils; liberal Democratic Russia bloc headed by Yeltsin captures one-third of seats in Russian Supreme Soviet.

MAR. 9. Supreme Soviet of Georgian Republic passes resolution denouncing USSR's forced incorporation of republic in 1921.

MAR. 11. Supreme Soviet of Lithuania declares independence from Soviet Union; vote is 124–6; also votes to retain Soviet laws temporarily. Soviet elects Sajudis head Landsbergis president of Lithuania. President Gorbachev calls Lithuanian independence "illegitimate and invalid."

— Congress of Estonia, unofficial nationalist legislature in Soviet republic of Estonia, passes resolution declaring itself sole legitimate representative of Estonian people.

— Soviet troops begin complete withdrawal from Hungary; 50,000 troops are to be out of Hungary by 7/91.

MAR. 13. Third Soviet Congress of People's Deputies is convened in Moscow; votes 1,771–24, with 74 abstentions, to repeal Soviet constitutional guarantee of Communist Party monopoly. Congress votes 1,817–133, with 61 abstentions, to create new office of executive president, with broad powers over foreign policy and conduct of military affairs. Congress 3/14 votes to have first president chosen by itself, and subsequently by popular election. Gorbachev is elected 3/15 to new presidency by vote of 1,329–495, with 54 ballots ruled invalid.

MAR. 18. East Germany holds general elections; conservative Alliance for Germany, which favors speedy reunification with West Germany, wins with 48.1% of vote; main opponent Social Democratic Party finishes unexpectedly poor second with 21.8%; successor to Communist Party, Party of Democratic Socialism, captures

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16.3% of votes. Conservative alliance 3/19 asks that SPD join it in "grand coalition" government.

MAR. 19. Lithuanian parliament forms noncommunist coalition government; chooses economist Kazimiera Prunskiene premier and Lithuanian Communist Party chief Brazauskas deputy premier. President Gorbachev delivers televised address 3/19, promising to bolster security at factories and energy plants in Lithuania to prevent their surrender to Lithuanian authorities. Gorbachev 3/21 issues executive order banning sale of firearms in Lithuania and directing Lithuanian citizens to surrender all firearms to Soviet interior ministry; Soviet military gives Lithuanian deserters 4 days to return voluntarily to their units or face arrest. Soviet military convoy rolls through Vilnius 3/22; Gorbachev sends telegram to President Landsbergis ordering Lithuania to cease recruiting for volunteer security force. Soviet government 3/23 commands all Western diplomats to leave Lithuania within 12 hours. Soviet paratroopers 3/25 seize headquarters of Lithuanian Communist Party in Vilnius. Paratroopers 3/27 raid Vilnius hospital, where they seize 23 deserters. Landsbergis sends telegram of protest to Gorbachev 3/27; complains to reporters that Western leaders have failed to support Lithuania. Landsbergis 3/28 calls for talks with Kremlin.

MAR. 19–20. Romanians clash with ethnic Hungarians in Romanian city of Tîrgu Mureş, in Transylvanian region; at least 3 are killed. Romanian interim government 3/21 declares state of emergency in Tîrgu Mureş and sends in 500 troops to restore order.

MAR. 24. Serbian government assumes direct control of Kosovo police 3/24. All ethnic Albanian ministers in Kosovo government resign 4/11, citing Serbian pressure. Serbia 4/17 lifts curfew and ban on protests imposed on Kosovo 3/89.

MAR. 24–26. Soviet President Gorbachev appoints 16-member Presidential Council, cabinet to assist him in new executive presidency.

MAR. 25. Hungary holds first round of national parliamentary elections. Center-right Hungarian Democratic Forum 3/28 claims victory, although two-thirds of 386 races remain to be filled in runoff. Conservative parties win parliamentary majority in runoff 4/8; cumulative results give Democratic Forum 165 out of 386 seats; its coalition partners Smallholders Party and Christian Democratic Party win 43 and 21 seats, respectively, for total of 229. Liberal Alliance of Free Democrats captures 92 seats; Socialist (formerly Communist) Party takes 33 and independents win 11.

MAR. 30. Estonian parliament votes to declare Estonia in state of "transition" to independence; passes resolution 4/2 proclaiming that Soviet laws regarding secession of republics do not apply to Estonia.

MAR. 31. President Gorbachev broadcasts message to Lithuania warning republic to "immediately annul" its declaration of independence or face "grave consequences." Lithuanian delegation meets 4/2 in Moscow with Politburo member Alexander N. Yakovlev.

APR. 3. Bulgarian parliament passes legislation to hold free multiparty elections; parliament also approves constitutional amendments establishing executive presidency and removing words "communist" and "socialist" from constitution. Communist Party 4/3 changes name to Bulgarian Socialist Party.

APR. 8. In parliamentary elections in Yugoslavian republic of Slovenia, Demos, separatist opposition coalition, wins 55% of seats; ruling Democratic Renewal Party (formerly League of Communists) captures 17%. In presidential voting 4/8, reformist Democratic Renewal incumbent Milan Kučan captures 44% of votes; since no candidate wins majority, runoff is scheduled. Kučan captures presidency with 60% of vote 5/22.

APR. 9. East Germany's noncommunist parties agree to form "grand coalition" government; Party of Democratic Socialism (former Communist Party) is excluded. Lothar de Maizière, leader of Christian Democrats, is installed 4/12 as East German premier.

— Soviet Deputy Premier Leonid I. Abalkin outlines government economic

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reform proposal, slated for parliamentary approval no later that 7/1. Plan includes privatization of state monopolies, wholesale tax reform, introduction of commercial banking system, high interest rates to combat inflation, and unemployment benefits for workers who lose their jobs due to reforms.

APR. 11. Estonian parliament votes 71–3 to abolish conscription of Estonian citizens into Soviet army. Soviet President Gorbachev 4/19 meets in Moscow with delegations from republics of Estonia and Latvia, reportedly promises new Soviet confederation.

APR. 13. Soviet President Gorbachev, in letter to Lithuanian leadership, threatens economic embargo and cutoff of oil and natural gas supplies by 4/15 unless Lithuania annuls legislation establishing identity cards for citizens of republic. Lithuanian Supreme Council (parliament) 4/18 offers moratorium until 5/1 on new laws related to independence. Oil and gas pipelines are shut off 4/19; Lithuanian government sets moratorium on its exports of natural gas to Soviet enclave surrounding city of Kaliningrad and orders gasoline rationing in Lithuania. President Bush 4/24 postpones imposing any sanctions on USSR; Lithuanian President Landsbergis calls Bush's action modern "Munich." French and West German governments 4/26 appeal to Lithuania to suspend declaration of independence.

— USSR expresses "profound regret" and admits Soviet secret police responsibility for Katyn Forest massacre of more than 4,000 Polish military officers in 1940.

APR. 20. Czechoslovak Federal Assembly adopts "Czech and Slovak Federative Republic" as new official name of country.

APR. 22. First round of parliamentary voting in Yugoslavian republic of Croatia is held; opposition Croatian Democratic Union party leader Franjo Tudjman captures republic's presidency. In runoff voting 5/6–7 CDU wins majorities in all 3 houses of republic's parliament; ruling Party for Democratic Change (formerly Croatian League of Communists) finishes distant second.

— Several hundred student protesters erect tent city in University Square in Bucharest, Romania, calling for delay in national elections there and for resignation of Interim President Iliescu. Iliescu holds talks with demonstrators 5/7–8; talks end when government refuses to televise them.

MAY 1. Soviet Union for first time allows independent and unofficial organizations to participate in its Moscow May Day parade; thousands of protesters among participants jeer President Gorbachev and rest of Soviet leadership atop Lenin's Mausoleum.

MAY 2. New Hungarian parliament holds first session; Arpád Göncz, Free Democrat, is chosen acting president. Göncz 5/3 appoints Democratic Forum's leader József Antall premier.

MAY 4. Latvian Supreme Soviet votes 138–0, with 57 delegates boycotting, to declare independence from Soviet Union after unspecified transition period. Soviet President Gorbachev 5/14 issues decrees officially declaring that efforts of Latvia and Estonia to leave Soviet Union have no legal basis.

MAY 8. Albanian People's Assembly passes laws liberalizing criminal code, reforming court system, lifting some restrictions on freedom of worship and guaranteeing right of travel abroad.

MAY 9. In interview published in *The New York Times,* independent trade union Solidarity founder Lech Wałęsa attacks Polish government and its economic austerity program, and threatens to lead "permanent political war" against it.

MAY 15. Borisav Jović of Serbia, ally of Serbian nationalist President Slobodan Milosević, succeeds Janez Drnovsek in 1-year post of Yugoslavian federal president. Federal Premier Ante Marcović announces 5/24 that he and his government will form political party separate from Yugoslavia's ruling League of Communists.

MAY 16. Lithuanian government formally agrees to suspend its laws related to independence, although not declaration itself. Lithuanian Premier Prunskiene meets with President Gorbachev 5/17 in Moscow. Gorbachev tells Lithuanian

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officials 5/24 that Lithuania can be independent in 2 years if it suspends declaration of independence. Soviet republic of Moldavia 5/30 recognizes Lithuania as sovereign nation.

MAY 20. First free postwar elections are held in Romania; ruling National Salvation Front captures 67% of seats in 2-house national parliament. Hungarian-ethnic Magyar Democratic Union of Romania wins 7.5% of seats; opposition National Liberal Party and National Peasants Party receive 6% and 2%, respectively. Interim president Iliescu wins 85% of presidential vote; Liberal candidate Radu Campêanu takes 10.5% and Peasant's Party candidate Ion Ratiu receives 3.8%. Iliescu 5/22 promises to build "social democracy" in Romania; 5/23 rules out opposition demands for independent commission to investigate charges of vote fraud.

MAY 24. USSR Premier Nikolai I. Ryzhkov presents moderate economic reform program before Supreme Soviet. Soviet President Gorbachev 5/25 rules out Polish-style "shock therapy."

MAY 27. Local elections are held in Poland; candidates endorsed by Solidarity trade union win more than 40% of contested local council seats; Peasant Party captures about 7% of seats; no other party, including Social Democrats (formerly Communists) takes more than 2%.

— Soviet troops shoot and kill 6 allegedly armed civilians at railway station in Yerevan, Armenia; in subsequent antigovernment demonstrations in and around Yerevan, 23 are killed.

MAY 29. Boris Yeltsin, running on platform of "real economic and political sovereignty" for Russia, is elected president of Russian Federation in fourth round of voting in republic's parliament; Yeltsin receives 535 votes; outgoing Russian Premier Aleksander V. Vlasov, choice of President Gorbachev, receives 467. Yeltsin meets with Lithuanian President Landsbergis in Moscow 6/1.

JUNE 4. Uzbek residents of Osh, in Soviet Republic of Kirghizia, riot after local authorities decide to allocate new housing for Kirghiz citizens. Official death toll in unrest 6/5 is 11. Soviet officials declare state of emergency in and around Osh 6/5; rioting spreads to Kirghiz capital of Frunze. Kirghizia/Uzbekistan border is sealed 6/6; riot death toll rises to 148 by 6/13.

JUNE 8–9. In parliamentary elections in Czechoslovakia, alliance of President Václav Havel's Civic Forum and its counterpart in Slovak Republic, Public Against Violence, capture 170 seats in bicameral 300-seat Federal Assembly; Communist Party finishes with 47 seats and conservative Christian Democratic Union takes 40. Separatist Slovak National Party captures fewer than 10 seats.

JUNE 10. In first round of national elections in Bulgaria, ruling Bulgarian Socialist (formerly Communist) Party gains 41% of vote; 16-party opposition coalition Union of Democratic Forces takes 36% of vote. After runoff vote 6/17 Socialists emerge with majority 211 of 400 seats in parliament; UDF with 144; Turkish-ethnic Movement for Rights and Freedoms with 23; centrist Agrarian Party with 16. Premier Lukanov 6/18 calls for coalition with opposition; UDF leader Zhelyu Zhelev declines.

JUNE 12. USSR Supreme Soviet approves law establishing freedom of press; 6/13 votes to support, in principle, transition to market economy, calls on President Gorbachev to institute joint-stock companies and other reforms by presidential decree; 6/14 approves corporate income tax, but rejects government plan to triple bread prices.

JUNE 13. Bucharest riot police raid anticommunist student "tent city," ousting demonstrators and burning tents; thousands riot, occupying police headquarters and interior ministry; President-elect Iliescu broadcasts national appeal to working class to "save democracy" from "fascist rebellion." Estimated 10,000 coal miners are trucked in from northern Jiu Valley 6/14–15, battle students with makeshift weapons, beat suspected antigovernment civilians, ransack headquarters of opposition National Liberal Party and National Peasant's Party. US, Britain and

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European Community deplore violence 6/14. Miners depart Bucharest 6/15 after farewell rally at which Iliescu thanks them for "doing very good work." US suspends economic aid to Romania 6/15; EC suspends economic relations 6/18. Government 6/18 arrests 3 leading opposition figures, including Marian Munteanu, leader of tent-city protest. Iliescu is sworn in as president 6/20, appoints Petre Roman premier, pledges commitment to free market, pluralism and "traditional democracy."

JUNE 19. Leading Communists in Russian Federation open conference in Moscow; conference votes overwhelmingly 6/20 to establish Communist Party of Russian Federation independent of USSR party apparatus. Conference 6/23 elects hard-line conservative Ivan K. Polozkov to lead Russian party organization.

JUNE 26. Hungarian Parliament votes 232–0 to have government negotiate Hungary's withdrawal from Warsaw Pact.

JUNE 27. Freely elected Czechoslovak Federal Assembly opens first session; delegates reelect Alexander Dubček as parliamentary chairman; Premier Čalfa swears in new coalition cabinet including 9 members of Civic Forum/Public Against Violence and 7 members of center-right Christian Democratic Union. Assembly 7/5 reelects President Havel to 2-year term.

JUNE 28. Following clash with security police, Albanian prodemocracy demonstrators in Tirana seek refuge in foreign embassies; by 7/6, after further confrontations, 4,500 demonstrators are encamped on grounds of 9 embassies. Albanian government 7/8 gives permission for mass emigration of refugees. Evacuation ships chartered by France and Italy carry 4,000 refugees to Brindisi, Italy, 7/12–13, and 500 to Marseille 7/15.

JUNE 29. Lithuanian Supreme Council (parliament) votes 69–35 with 2 abstentions to place moratorium on its 3/11 declaration of independence. Soviets open oil pipeline from Byelorussia into Lithuania 6/30; government announces complete end to economic embargo of Lithuania 7/2.

JULY 2. Twenty-eighth Congress of Communist Party of Soviet Union opens in Moscow; President Gorbachev admits party under his leadership has made "mistakes"; calls for regulated market economy. Party Agriculture Secretary Yegor K. Ligachev 7/3 condemns Gorbachev's reforms as "thoughtless radicalism." Russian President Yeltsin calls for radical reform of party 7/6. Measure, backed by Gorbachev, to expand party Politburo to include representatives of all Soviet republics is approved 7/9. Gorbachev is reelected party general secretary 7/10; Gorbachev ally Ukraine President Vladimir A. Ivashko defeats Ligachev in voting for new post of deputy general secretary 7/11. Yeltsin, nominated for seat on party Central Committee 7/12, startles congress by announcing resignation from party; mayors of Moscow and Leningrad jointly resign from party 7/13. Congress adjourns 7/13 after electing new 410-member Central Committee; many important party figures, including Ligachev, foreign policy chief Aleksander N. Yakovlev and ideologist Vadim A. Medvedev, are not elected to Central Committee, and therefore lose positions on party Secretariat; Ligachev, USSR's most prominent conservative, indicates he will retire. Central Committee 7/14 elects new 24-member Politburo, including only 2 holdovers from previous Politburo (Gorbachev and Ivashko); 15 of 22 new members are party leaders from each of Soviet Union's republics; Central Committee also abolishes "candidate" status, meaning all Politburo members will be full, voting members. Gorbachev ends party monopoly on radio and television broadcasting 7/15.

— Ethnic Albanian members of Kosovo's parliament declare Kosovo a republic independent of Serbia; Serbian government denounces action as unconstitutional. Serbia 7/5 dissolves government and parliament of Kosovo and assumes direct control of province. Serbian parliament votes 9/28 to annul autonomous status of Kosovo region.

JULY 3. Parliament of Republic of Slovenia passes declaration of sovereignty,

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asserting that its laws take precedence over those of Yugoslavian federal government.

JULY 4. Bulgarian President Petar Mladenov admits in televised address that amateur videotape showing him calling for tanks to crush 12/89 prodemocracy protest in Sofia is authentic. Thousands of students at presidential building 7/4 demand Mladenov resign or face national strike. Mladenov resigns 7/6.

JULY 5. Polish Prime Minister Mazowiecki 7/6 fires three Communist members of his cabinet: Defense Minister Gen. Florian Siwicki, Interior Minister Gen. Czesław Kiszczak and Transport Minister Franciszek Adam Wieladek. Mazowiecki and Lech Wałęsa meet 7/7 in church-sponsored mediation to discuss Wałęsa's possible presidential candidacy; they agree to accelerate reforms and "preserve social peace."

JULY 25. Soviet President Gorbachev releases decree ordering ethnic militants in USSR to disarm voluntarily within 15 days or face forcible action by security police. Gorbachev 8/11 extends deadline for disarmament by 2 months.

JULY 30. Albania and USSR restore diplomatic relations, broken off in 1961.

— Negotiations open in Moscow between Soviet central government and Soviet republics to draw up new treaty of union; Baltic republics of Estonia, Latvia and Lithuania refuse to participate.

AUG. 1. Bulgarian parliament votes 284–16, with 100 abstentions, to elect opposition leader Zhelyu Zhelev Bulgaria's president. Premier Lukanov resigns 8/7, but agrees to stay on as caretaker and to attempt to form new government. Lukanov is approved as premier 9/19.

AUG. 3. Acting Hungarian President Göncz is approved as president by parliamentary vote of 295–13.

AUG. 5. Armenian parliament 8/23 votes 183–2 to begin "a process establishing independent statehood." Parliament declares state of emergency in republic 8/29; outlaws paramilitary Armenian National Army.

AUG. 6. Polish government and Roman Catholic Church reach agreement under which public schools will offer voluntary classes in Catholic doctrine.

AUG. 10. Russian parliamentary Presidium declares Russian Federation's sovereignty over republic's natural resources. Soviet President Gorbachev denounces declaration as illegal 8/23. Russian Federation and Lithuania sign agreement on trade and economic cooperation 8/15.

AUG. 18. Serb communities in southwestern part of Yugoslavia's Croatian Republic begin 2-week referendum on political autonomy. Serb autonomy movement in Croatia 10/1 declares that 99% voted for autonomy.

AUG. 26. Bulgarian anticommunist demonstrators in Sofia riot, looting and setting fire to headquarters of Bulgarian Socialist (formerly Communist) Party.

AUG. 29. Soviet President Gorbachev meets in Moscow with Russian Federation President Yeltsin to discuss "Shatalin Plan" for economic and political restructuring of Soviet Union, developed by panel of Gorbachev's and Yeltsin's leading economic advisors. Economic summit presided over by Gorbachev is held in Moscow 8/30–31; Federation Council and Presidential Council discuss and give consensus approval to Shatalin Plan. Yeltsin 9/1 demands resignation of government of Premier Nikolai Ryzhkov. Details of Shatalin Plan, including 500-day schedule for moving to Soviet market economy are published in *Izvestia* 9/5. Prime Minister Ryzhkov 9/11 denounces Shatalin Plan and threatens to resign if legislature adopts too radical a program. Gorbachev announces that he prefers Shatalin Plan to more moderate government proposal (Ryzhkov Plan). Gorbachev 9/14 offers Supreme Soviet "President's Plan," moderated version of Shatalin Plan that preserves central government authority over banking, taxation and currency.

SEPT. 17. Lech Wałęsa formally declares candidacy for presidency of Poland. Parliament 9/21 votes to hold direct presidential elections 12/90. Premier Mazowiecki announces candidacy for presidency 10/4.

SEPT.21. President Gorbachev asks USSR Supreme Soviet to grant him special

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emergency powers to issue presidential decrees affecting wages, prices and "law and order" during transition period of unspecified duration; Supreme Soviet votes 9/24 to grant Gorbachev new powers through 3/92. Supreme Soviet 9/24 votes to endorse Gorbachev's proposal that "conciliation committee" headed by Gorbachev reach compromise between Shatalin and Ryzhkov economic plans.

SEPT. 28. Parliament of Yugoslavia's republic of Slovenia passes amendments to republic's constitution asserting primacy of republic's laws over those of federal government and claiming Slovenian control over national guard forces stationed in Slovenia.

OCT. 1. Yugoslavian federal presidency holds emergency meeting in Belgrade to discuss nationalist tensions; presidency 10/2 demands end to Croatian Republic's "unjust" detention of Serbs and declares null and void 9/28 amendments to Slovenian constitution; presidency takes no action against Serbia.

— USSR's Supreme Soviet votes 341–2 to guarantee religious freedom to all Soviet citizens.

OCT. 2. Thousands of student protesters erect tent city in Kiev, capital of Soviet Ukraine, to demand that parliament move more swiftly to establish sovereignty of Ukraine; protests and hunger strikes in support of tent city are held 10/10–17.

OCT. 13. Poland and Soviet Republic of Ukraine sign agreement in Kiev establishing diplomatic relations between "sovereign states."

OCT. 14. In Hungarian local elections ruling center-right coalition headed by Democratic Forum does poorly, capturing only 385 electoral districts; opposition coalition led by Alliance of Free Democrats captures 733 and independents win 264.

OCT. 16. Soviet President Gorbachev presents "Gorbachev Plan" for economic restructuring to Supreme Soviet; plan calls for transition to market economy but drops Shatalin Plan's 500-day timetable and preserves authority of central government over economy; Russian President Yeltsin and economist Stanislav S. Shatalin reject Gorbachev Plan. Supreme Soviet 10/19 approves Gorbachev Plan 333–12, with 34 abstentions. Parliament of Russian Federation votes 10/31 to approve implementation of radical 500-day plan, beginning 11/1.

OCT. 20. Democratic Russia, coalition of opposition political groups in Russian Federation, holds first congress in Moscow. No agreement on common platform is reached before congress adjourns 10/21.

OCT. 24. USSR Supreme Soviet passes legislation denying Soviet republics right to assert that their laws take precedence over federal laws. Parliaments of Ukraine and Russia 10/24 pass resolutions proclaiming that no laws can take effect in their respective republics without republican parliamentary approval.

OCT. 25. Parliament of Czechoslovakia's Slovak Republic votes 82–51, with 10 abstentions, to approve law making Slovak official language of republic.

OCT. 26. Soviet President Gorbachev, using new emergency powers, issues decrees permitting foreigners to operate wholly owned subsidiaries in USSR and to lease Soviet real estate, allowing Soviet citizens to invest in enterprises, devaluing ruble in step toward establishing convertibility and raising interest rates on bank savings. Another decree issued 11/2 forces Soviet enterprises to surrender to central government 40% of their hard-currency earnings.

— Government of Soviet Moldavian Republic declares state of emergency in southern region populated by ethnic Turkish Gagauz minority when Gagauz attempt to hold elections for independent republic. Forces of Soviet interior ministry are sent to Moldavia 10/28 to forestall potential violence. In rioting between Moldavians and ethnic Russians and Ukrainians in town of Dubossary 11/2, Moldavian militiamen kill 6 persons. Moldavian parliament declares state of emergency in eastern part of republic 11/3 and calls for armed militias to disband 11/4.

OCT. 28. Georgian parliamentary elections held; all 35 parties contesting elections, including ruling Communist Party, run on platforms supporting Georgian

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independence. Opposition Georgian Round Table wins 54% of vote; Communists finish second with 29%.

Nov. 13. Russian Federation President Yeltsin, in report to Russian parliament, claims that Soviet President Gorbachev has agreed "in principle" to replace current government structure with "coalition government of national unity." Gorbachev tells meeting of military officers 11/13 that he favors republican sovereignty within "federal framework."

Nov. 16. USSR Supreme Soviet convenes in emergency session to hear address from President Gorbachev; Gorbachev accuses unidentified officials of waging campaign to discredit him. Gorbachev 11/17 proposes to Supreme Soviet that executive branch of government be reorganized, that office of premier and Presidential Council be abolished in favor of more powerful Federation Council consisting of heads of USSR's 15 republics and new office of executive vice president. Supreme Soviet 11/17 votes 316–19 in favor of proposal. Russian Federation President Yeltsin assails proposal 11/19, saying it will add to Gorbachev's power without increasing autonomy of republics.

Nov. 18. Antigovernment demonstrators protest against food shortages in Sofia, Bulgaria. Similar demonstrations turn violent 11/21 and 11/24. Parliament votes 201–159 to reject no-confidence measure against government of Premier Lukanov 11/23. Anticommunist trade union Podkrepa calls general strike beginning 11/26. Lukanov announces resignation 11/29; President Zhelev calls for all political parties to negotiate agreement on formation of coalition government.

Nov. 23. Soviet President Gorbachev proposes new Union Treaty governing relationship between USSR central government and 15 constituent republics. Proposed treaty, which must be signed by all republics, would leave central government in control of military and foreign policy; republics would be given "full authority" over own territory (including natural resources) and economic systems, but central government laws would take precedence over those of republics; treaty would retain Council of Ministers and position of premier.

Nov. 26. First round of Polish presidential voting is held; no candidate receives majority needed for victory. Lech Wałeşa takes 40% of vote, Polish-Canadian businessman Stanisław Tyminski finishes second with 23%; Premier Mazowiecki finishes third with 18%. Mazowiecki announces resignation, but remains as caretaker premier.

Nov. 27. Soviet Defense Minister Dmitri T. Yazov, in televised address, says President Gorbachev has instructed armed forces to be prepared to use force to defend military installations, monuments and servicemen in rebellious Soviet republics.

Dec. 7. Bulgaria's parliament votes to make Ditmar Popov, judge and political independent, new premier. Assembly votes 12/20 to approve Popov's multiparty government, largely controlled by Socialists.

Dec. 9. Polish runoff presidential elections are held; Lech Wałeşa receives over 74% of vote to defeat Stanisław Tyminski, who receives just over 25%. Wałeşa resigns as chairman of Solidarity 12/12. Outgoing President Jaruzelski delivers farewell address 12/12 in which he apologizes for "harm, pain and injustice" suffered under his regime. Wałeşa is sworn in 12/22.

— Yugoslavian republic of Serbia holds first round of general elections; Serbia's Socialist (formerly Communist) President Milosević captures 60% of presidential votes; Socialist Party wins 87 seats in 250-seat parliament. After second round of voting 12/23, Socialists emerge with total of 194 parliamentary seats, opposition coalition with 48 and independents with 8.

— Albanian students stage antigovernment demonstration; approximately 1,000 protesters clash with riot police in Tirana. President Ramiz Alia agrees to meet with students 12/10. Albanian government 12/11 announces endorsement of independent political parties; 5 members of ruling Politburo are ousted at emergency

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meeting of Communist Party Central Committee. Democratic Party, first opposition group, is formed at rally in Tirana 12/12.

DEC. 10. Czechoslovak President Havel, asserting that autonomy demands by leaders of Slovakia are threatening to break up country, requests unspecified special powers from parliament. Legislation outlining powers of Czech and Slovak republican government passes parliament 12/12 by vote of 234–12, with 17 abstentions; law retains power over defense, foreign, economic and national-minority policy at federal level.

DEC. 14. Ten thousand workers stage antigovernment strike in city of Timoşoara, Romania. Romanian government 12/17 begins coalition talks with Radu Campêanu, leader of opposition National Liberal Party.

DEC. 17. Soviet President Gorbachev, addressing opening of 10-day session of Fourth Congress of People's Deputies, demands that popular referendum be held in each Soviet republic on his proposed new union treaty.

DEC. 20. Soviet Foreign Minister Shevardnadze, speaking before Congress of People's Deputies, delivers surprise resignation, warning that reactionary forces are threatening Soviet Union with resumption of dictatorship; Shevardnadze agrees to serve until Supreme Soviet approves resignation; Congress of People's Deputies votes to reaffirm course of Soviet foreign policy. KGB chairman Vladimir A. Kryuchkov 12/22 delivers speech attacking Western economic involvement in USSR as masked attempt to gather strategic information. Congress votes 12/24 to approve Gorbachev's proposed loosening of Soviet federation. Congress 12/25 votes to make cabinet secretaries directly subordinate to Soviet president and to create new post of vice president; rejects Gorbachev's proposed Supreme State Inspectorate, designed to enforce presidential decrees; votes to include on Federation Council representatives of 15 republics and several smaller ethnic groups. Gorbachev 12/26 nominates Communist Party Politburo member Gennadi I. Yanayev to be vice president. Yanayev, in voting 12/27, falls short of majority needed to elect him on first ballot; he is approved in second round of voting, 1,237–563, with 23 abstentions.

DEC. 22. Republic of Slovenia conducts plebiscite on independence from Yugoslavia; nearly 95% vote for independence.

DEC. 25. Deposed King Michael of Romania returns to Bucharest on unauthorized visit; he is expelled by government 12 hours later.

DEC. 27. Parliament of Russian Federation votes to contribute 23.4 billion rubles to Soviet federal budget, less than one-tenth of federal government's request.

DEC. 29. Polish President Wałeşa nominates free-market economist Jan Krzysztof Bielecki as premier.

EAST-WEST RELATIONS

FEB. 6. US Secretary of State James A. Baker travels to Prague, meets with President Václav Havel. Arrives in Moscow 2/7; meets with Soviet Foreign Minister Eduard A. Shevardnadze 2/8; announces new US position on Afghanistan, dropping insistence that Afghan President Najibullah leave office as prerequisite to negotiated settlement of civil war; meets with Gorbachev and Shevardnadze 2/9, discusses US and Soviet troop ceilings in Europe; testifies before Supreme Soviet international affairs committee 2/10, answers condemnation of 12/89 US invasion of Panama. Flies to Sofia 2/10, meets with President Petar Mladenov and Prime Minister Andrei Lukanov. Travels 2/11 to Romania, meets with Interim President Ion Iliescu and Interim Prime Minister Petre Roman; promises $93.5 million in emergency food aid.

FEB. 10. West German Chancellor Helmut Kohl visits Soviet President Mikhail Gorbachev in Moscow; Kohl reports Soviet agreement to let East and West German peoples determine whether Germany should be reunited. East German Prime

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Minister Hans Modrow visits Bonn 2/13–14; Modrow and Kohl 1/13 announce agreement to talks on unifying German currencies.

FEB. 11. Foreign ministers of member-states of NATO and Warsaw Pact meet in Ottawa to discuss President Bush's "open-skies" proposal, under which both US and USSR could conduct armed surveillance flights over each other's territory. At conclusion of conference 2/13, foreign ministers of US, USSR, Britain, France, West Germany and East Germany announce agreement on so-called "two plus four" formula for talks concerning German reunification.

FEB. 20. Czechoslovak President Havel arrives in Washington, DC, 2/20, visits President Bush at White House. Addresses joint session of Congress 2/21.

FEB. 24. West German Chancellor Helmut Kohl meets with President Bush at Camp David, MD, to discuss German reunification; Kohl refuses to guarantee future German acceptance of current Polish-German border. Kohl 3/2 says any treaty guaranteeing German-Polish border should contain promise from Poland not to seek World War II reparations, and should guarantee rights of ethnic Germans in Poland. Kohl retreats from demands 3/6 following emergency cabinet meeting. West German Bundestag (parliament) 3/8 passes resolution renouncing all claims to Polish territory.

MAR. 14. Middle-level diplomats hold first session of "two plus four" talks on German reunification in Bonn; they announce agreement to allow Poland to participate in future talks.

MAR. 15. Limited diplomatic ties are established between Soviet Union and Roman Catholic Church.

MAR. 30. South Korea and USSR announce agreement to make efforts to normalize relations.

APR. 5. US and USSR 4/5 jointly announce that Presidents Bush and Gorbachev will hold summit meeting in US 5/30–6/1.

APR. 9. Representatives of 42 industrial nations including US, meeting in Paris, agree to create special bank to aid East European economies, to be called European Bank for Reconstruction and Development. Bank is formally established 5/29 in Paris.

— Officials of 6 European nations (Poland, Hungary, Austria, Italy, Yugoslavia and Czechoslovakia) meet as "Adriatic-Danube group" in Bratislava, Czechoslovakia, to discuss political and economic integration of former Soviet-bloc countries into restructured Europe.

APR. 21–22. Pope John Paul II visits Czechoslovakia.

APR. 23. West German government offers to exchange most East German marks for West German currency at 1-to-1 rate when 2 Germanys unify currencies; savings above 4,000 marks and corporate debt are to be exchanged at 2-to-1 rate. Terms of currency unification are finalized 5/2.

APR. 25. US and Soviet Union, in negotiations in Geneva, agree to reduce their chemical weapons stocks to ceiling of 5,000 tons each.

APR. 26. Sixth round of Conventional Forces in Europe talks adjourn in Vienna.

MAY 2. West German President Richard von Weizsäcker visits Warsaw; declares that Poland's postwar borders are "inviolable."

MAY 3. NATO foreign ministers agree to permit reunified Germany full membership in Atlantic alliance, to allow Soviet troops to remain in former East Germany and to station no Western troops there, to bar Germany from possessing its own nuclear, chemical or biological weapons, and to limit size and armaments of German military.

MAY 5. "Two plus four" talks open first ministerial-level talks in Bonn. Soviets offer to allow reunification to proceed before all international security issues are resolved. US Secretary of State Baker travels 5/6 to Warsaw for talks with Polish Premier Tadeusz Mazowiecki.

MAY15. US Secretary of State Baker arrives in Soviet Union to finalize agenda for upcoming superpower summit. Before leaving USSR 5/19, announces tentative

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agreement that both countries will reduce strategic arsenals to ceiling of 6,000 nuclear warheads each.

MAY 18. East and West German foreign ministers sign treaty in Bonn setting terms for country's reunification.

MAY 30. Soviet President Gorbachev arrives in Washington 5/30 for 4-day summit with President Bush. Gorbachev meets with Bush 5/31; they sign more than a dozen bilateral accords 6/1, including framework agreement on reducing strategic nuclear weapons, agreement to end production of chemical weapons, and accord designed to normalize trade. Bush and Gorbachev hold talks 6/2 at Camp David, MD; summit ends after joint press conference at White House 6/3. Gorbachev visits St. Paul, MN, 6/3; meets with former President Ronald Reagan and with South Korean President Roh Tae Woo in San Francisco 6/4; Roh tells reporters that USSR and South Korea will normalize relations; Gorbachev flies home 6/4.

JUNE 5. Foreign ministers of member nations of Conference on Security and Cooperation in Europe (CSCE) meet in Copenhagen; Soviet Foreign Minister Shevardnadze announces surprise unilateral removal of tactical nuclear weapons from Europe.

JUNE 7. Warsaw Pact leaders meet in Moscow; announce end to view of West as "ideological enemy." NATO foreign ministers meeting in Turnberry, Scotland, issue communiqué commending Warsaw Pact's "positive spirit."

JUNE 12. Soviet President Gorbachev proposes "transition period" during which German troops in western portion of reunified Germany would remain fully under control of NATO, while German troops in eastern portion would continue "associate membership" in Warsaw Pact.

JUNE 21. West German Bundestag approves by vote of 445–60 treaty creating unified economic and monetary system in East and West Germany; both Bundestag and East German Volkskammer separately approve joint resolution guaranteeing Poland's existing borders. Volkskammer 6/22 approves economic union treaty by vote of 302–82. Distribution centers are opened throughout East Germany to allow citizens to exchange East German marks for West German currency.

JUNE 22. At second ministerial meeting of "two plus four" talks, Soviet Foreign Minister Shevardnadze proposes that Big Four powers retain final approval on size and makeup of German military for up to 5 years after German reunification; also suggests staged withdrawal of foreign troops from Berlin; both proposals rejected by US Secretary of State Baker.

JULY 1. German economic unification treaty formally takes effect. East German government 7/2 announces agreement to all-German national elections to be held 12/2.

JULY 6. Leaders of NATO nations at summit in London release "London Declaration," proposing Warsaw Pact and NATO issue joint statement declaring themselves to be no longer adversaries; declaration also commits NATO to reducing front-line defenses, revising strategy on first use of nuclear weapons, limiting German army's size following reunification, and withdrawing US nuclear artillery shells from Europe if Soviets do same. NATO leaders invite Soviet President Gorbachev and other Warsaw Pact leaders to visit NATO headquarters in Brussels, and invite them to "establish regular diplomatic liaison with NATO."

JULY 16. Soviet President Gorbachev and West German Chancellor Kohl, meeting in Zheleznovodsk, southern Russia, announce agreement to allow reunified Germany to belong to NATO; Soviet troops to remain stationed in eastern Germany for 3–4 years. West Germany pledges that German army will be cut to 370,000 troops by end of transition period, and that Germany will not produce or possess nuclear, biological or chemical weapons.

AUG. 1. Secretary of State Baker and Soviet Foreign Minister Shevardnadze meet in Soviet city of Irkutsk for arms control talks. Shevardnadze 8/2 announces USSR will halt production of SS-24 rail-mobile intercontinental ballistic missile.

AUG. 31. East and West German representatives, meeting in East Berlin, sign

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treaty governing political reunification of Germany, setting 10/3 as date of official reunification; treaty names Berlin national capital. Parliaments of East and West Germany ratify treaty 9/20.

SEPT. 4. Soviet Foreign Minister Shevardnadze arrives in Japan for 3-day visit. Shevardnadze 9/7 indicates willingness to consider negotiations over future status of northern territories (Kurile Islands), occupied by USSR since World War II.

SEPT. 12. East and West Germany and Big Four powers, meeting in Moscow, sign Final Settlement with Respect to Germany, ending powers' rights and responsibilities in Germany. Treaty sets 1994 deadline for Soviet troop withdrawal from eastern region of Germany; forbids stationing and "deployment" of foreign troops in former East German territory; guarantees Oder-Neisse line as border with Poland. West German Foreign Minister Hans-Dietrich Genscher and Soviet Foreign Minister Shevardnadze sign Soviet-German friendship treaty 9/13.

SEPT. 24. East Germany formally withdraws from Warsaw Pact.

SEPT. 30. USSR establishes full diplomatic relations with South Korea; Israel and Soviet Union agree to open consulates general in Moscow and Tel Aviv.

OCT. 3. East and West Germany unite as Federal Republic of Germany.

— US Secretary of State Baker and Soviet Foreign Minister Shevardnadze, after negotiations at Soviet mission to UN in New York, announce that they have reached agreement on main points of Conventional Forces in Europe Treaty.

OCT. 14. Five new component states created out of former East German territory hold state elections; Chancellor Kohl's Christian Democratic Union wins majority of vote in Saxony, plurality in Thuringia, Saxony-Anhalt and Mecklenburg; opposition Social Democratic Party wins plurality in Brandenburg.

OCT. 15. Soviet President Gorbachev is awarded Nobel Peace Prize for helping to end Cold War.

OCT. 24. Leaders of Balkan nations (Albania, Bulgaria, Greece, Romania, Turkey and Yugoslavia) open summit meeting in Tirana, Albania. Joint communiqué is issued 10/25 supporting noninterference in each other's internal affairs and protection of human rights.

OCT. 26. Soviet President Gorbachev arrives in Spain to meet with Prime Minister Felipe González; travels to France 10/28, meets with President François Mitterrand; Gorbachev and Mitterrand 10/29 sign friendship and cooperation treaty.

NOV. 9. President Gorbachev visits Bonn; he and German Chancellor Kohl sign nonaggression pact, friendship treaty and accord covering Soviet troop withdrawal from eastern Germany.

NOV. 14. German and Polish foreign ministers, meeting in Warsaw, sign treaty guaranteeing current border as permanent German-Polish boundary.

NOV. 17. President Bush visits Prague en route to Paris summit of CSCE member nations; 11/18 travels to Berlin to meet with German Chancellor Kohl and to Paris to meet with French President Mitterrand. Soviet President Gorbachev visits Italy 1/17–18; confers with Pope John Paul II in Vatican and Italian Premier Giulio Andreotti in Rome 11/18.

NOV. 19. Second CSCE summit opens in Paris. Leaders of NATO and Warsaw Pact nations 11/19 sign Conventional Forces in Europe Treaty, which limits each alliance to 20,000 battle tanks and pieces of artillery, 30,000 armored combat vehicles, 6,800 combat aircraft and 2,000 attack helicopters. Presidents Bush and Gorbachev meet privately 11/19; Bush fails to get Gorbachev to publicly support UN resolution authorizing use of force in Persian Gulf crisis. Heads of CSCE member states 11/21 sign Charter of Paris for New Europe that proclaims end to military and economic division of Europe and affirms democratic freedoms and human rights.

DEC. 10. Soviet Foreign Minister Shevardnadze, meeting with Secretary of State Baker in Houston, requests food aid from US. President Bush 12/12 announces approval of $1 billion in federal loan guarantees to permit Soviet purchases of US

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food; Bush also advocates formation of "special relationship" between USSR and IMF and World Bank, step toward membership that would allow USSR to utilize organizations' technical expertise.

DEC. 13. South Korean President Roh Tae Woo meets in Moscow with Soviet President Gorbachev.

DEC. 17. Former East German Premier Lothar de Maizière resigns as minister without portfolio in Chancellor Kohl's cabinet after reports that he had served as police informer from 1981 to 1989.

THE MIDDLE EAST AND THE PERSIAN GULF

JAN. 14. Israeli Prime Minister Yitzhak Shamir, in speech to his Likud bloc, says that "big immigration" to Israel of Soviet Jews "requires Israel to be big as well"; adds that occupied territories of West Bank and Gaza are needed "to house the people." US State Department 1/17 calls comments "not helpful."

JAN. 22. Thousands of peaceful prodemocracy demonstrators in Kuwait, demanding restoration of National Assembly, dissolved in 1986, are dispersed by police with tear gas and water cannons.

JAN. 31. Inter-Christian fighting breaks out in Lebanon between army troops loyal to Gen. Michel Aoun and members of Lebanese Forces militia. More than 600 are killed before ceasefire is declared 2/17. Ceasefire is broken 3/1.

FEB. 4. Nine Israeli tourists are killed and 16 are injured when gunmen ambush tour bus between Cairo and Ismailya, Egypt. Pro-Iranian terrorist organization Islamic Jihad For the Liberation of Palestine claims responsibility 2/5.

FEB. 12. Right-wing Israeli Trade and Industry Minister Ariel Sharon announces he will resign, accusing Prime Minister Shamir's government of mishandling Palestinian revolt in occupied territories. Sharon officially resigns 2/18.

FEB. 22. Editorial in *The Tehran Times* urges "Muslim forces" to work to free Western hostages held in Lebanon "with no conditions." President Bush 3/1 denies that US and Iranian officials have held talks concerning hostages.

— Israel's Labor Party issues ultimatum to Prime Minister Shamir, threatening to leave coalition government unless he accepts within 2 weeks Labor's version of Israeli-Egyptian-Palestinian peace talks proposed by US Secretary of State James A. Baker.

MAR. 3. President Bush, at press conference, says US policy opposes new Jewish settlements "in the West Bank or east Jerusalem," departing from past US de facto distinction between east Jerusalem and other Israeli-occupied territories.

MAR. 10. Iraqi revolutionary court convicts Farzad Bazoft, Iranian-born British free-lance correspondent, of espionage after he visits site of military complex explosion; Bazoft is sentenced to death; British nurse who drove Bazoft to site is sentenced to 15 years in prison. Iraq ignores international pleas for clemency and hangs Bazoft 3/15; Britain recalls its ambassador from Baghdad.

MAR. 12. Israeli Labor Party central committee votes to allow its cabinet ministers to quit coalition government. Prime Minister Shamir fires Labor Finance Minister Shimon Peres 3/13; remaining Labor cabinet members resign. Shamir government falls 3/15 in Knesset (parliament) vote of no confidence, 60–55; Shamir becomes caretaker prime minister. Shamir 3/16–18 fends off challenge for Likud leadership by right-wing Knesset deputies led by Ariel Sharon. President Chaim Herzog 3/20 gives Peres 3 weeks to form governing coalition. Rabbi Eliezer Menachem Schach, spiritual mentor to Shas party, 3/26 delivers attack on Labor's secularism, hurting Labor's chance of enlisting support of small religious parties.

APR. 2. Iraqi President Saddam Hussein announces that Iraq possesses advanced chemical weapons and threatens to destroy half of Israel if it launches preemptive strike against Iraqi weapons facilities.

APR. 3. Samir Geagea, Christian Phalangist leader of Lebanese Forces militia

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combatting Christian army of Gen. Aoun, pledges allegiance to Lebanese President Elias Hwari.

APR. 4. Israeli Labor leader Peres announces he has enough votes to form majority government. Peres asks for Knesset vote of confidence. Two members of orthodox Agudat Israel party 4/11 unexpectedly announce they will not support Labor; President Herzog grants Peres 15 more days to form coalition. Peres admits failure 4/26. Herzog 4/27 asks acting Prime Minister Shamir to form government. Shamir is given 3-week extension by Herzog 5/17.

APR. 10. Frenchwoman Jacqueline Valente and Belgian companion Fernand Houtekins, kidnapped 11/87, and daughter born in captivity are released by Palestinian terrorist group Abu Nidal in Beirut; France publicly thanks Libyan leader Muammar al-Qaddafi for his role in release.

APR. 12. Hundreds of Christian and Muslim residents protest unannounced move of 150 Israeli Jewish nationalists into vacant St. John's Hospice in Christian quarter of old city of Jerusalem; protest broken up with tear gas. Christian holy sites in Israel closed in protest 4/17. Israeli government 4/22 admits covertly giving settlers $1.8 million, 40% of rental cost for building. Israeli Supreme Court 4/26 orders settlers' eviction.

APR. 22. Islamic Jihad releases American Robert Polhill, professor at Beirut University College, abducted 1/87. President Bush 4/23 telephones Syrian President Hafez al-Assad to thank him for his role in release.

— Emir of Kuwait, Sheik Jabir al-Ahmad Al Sabah, announces he will permit elections to National Council, interim body designed to debate parliamentarism in preparation for planned 1994 restoration of National Assembly. Opposition boycotts elections 6/10; virtually all seats go to government supporters. National Council opens 7/9.

APR. 30. Iranian-backed Hezbollah group releases American Frank Reed, private school director held since 9/86. President Bush publicly thanks Iranian government for its role in securing Reed's release; stresses no deals were made.

MAY 13. US and Iran sign agreement under which Iran will pay US $105 million to settle over 2,000 small claims arising from 1979 Iranian Revolution; agreement was reached by US-Iranian Claims Tribunal in The Hague, Netherlands.

MAY 15. Egyptian President Hosni Mubarak meets with Soviet President Mikhail Gorbachev in Moscow ending decade of strained relations. Syrian President Assad visits Gorbachev 5/28 for first time in 3 years.

MAY 17. Vatican-sponsored ceasefire takes hold in Beirut; nearly 1,000 are reported killed in inter-Christian combat in Lebanon since late 1/90.

MAY 20. Discharged Israeli soldier shoots at group of Palestinian laborers near Tel Aviv, killing 7 and wounding 10. Thousands of Arab rioters defy curfew in Gaza Strip; soldiers kill 5; 2 Arab protesters killed in West Bank. Arabs in Israel and occupied territories stage 1-day strike 5/21; 6 Arab rioters are killed by security forces 5/21, and 2 more 5/22.

MAY 22. North Yemen (Yemen Arab Republic) and South Yemen (People's Democratic Republic of Yemen) merge into single Republic of Yemen. Former northern president, Ali Abdullah Saleh, is to be new nation's president; Secretary-general of south's Yemeni Socialist Party is to be vice president; Sana, former northern capital, is declared new capital of Yemen.

MAY 25. UN Security Council meets in Geneva to hear Palestine Liberation Organization (PLO) Chairman Yasir Arafat call for "international emergency forces" to protect Palestinians from Israeli "massacre." In New York 5/31 US vetoes Security Council resolution to send observer mission to occupied territories.

MAY 28. Arab League opens emergency summit meeting in Baghdad. League releases communiqué 5/30 blaming US for supporting Israeli "aggression, terrorism and expansionism," threatening "political and economic measures" against nations recognizing Jerusalem as capital of Israel, and denouncing Soviet Jewish immigration to Israel and especially their settlement in occupied territory.

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MAY 30. Two speedboats manned by heavily armed Palestinian terrorists attempt to land on beaches in central Israel; 1 boat is captured 20 miles offshore, its 5 crewmen are taken; another boat lands on empty beach, 4 of 11 guerrillas are killed in shoot-out with Israeli security forces. Palestine Liberation Front, faction of PLO, takes responsibility for attack 5/30; PLO Chairman Arafat 5/31 denies any "official" link between terrorists and PLO.

JUNE 8. Israeli Prime Minister Shamir announces formation of governing coalition, with 2-seat majority in Knesset, consisting of Likud bloc, 5 nationalist or religious parties, and 3 independent members. Several right-wing figures receive important posts, including David Levy (foreign minister), Ariel Sharon (housing minister and overseer of Soviet Jewish immigration) and Yitzhak Modai (finance minister). Knesset votes 6/11 to approve government.

JUNE 20. President Bush announces he is suspending US diplomatic dialogue with PLO for failure to condemn 5/30 speedboat raid.

JUNE21. Earthquake in Iran's Caspian Sea region destroys more than 100 villages and towns, kills approximately 35,000 people and leaves over 400,000 homeless. US State Department offers humanitarian assistance to Iran 6/21; Iranian President Ali Akbar Hashemi Rafsanjani accepts offer 6/22.

JULY 2. Panicked religious pilgrims visiting Mecca stampede in pedestrian tunnel when air conditioning fails; 1,426 are killed.

JULY 3. Iranian and Iraqi foreign ministers meet in Geneva for first direct talks since 8/88 conclusion of Iran-Iraq War; no progress is announced, but leaders of both Iraq and Iran express optimism about permanent peace settlement in separate speeches delivered 7/17.

JULY 14. Syrian President Assad visits Egypt; after 3 days of talks with President Mubarak, Assad says Syria is ready to join Arab-Israeli peace process.

JULY 17. Iraqi President Saddam Hussein delivers speech accusing Arab Persian Gulf nations of "plot" to hold down oil prices. Hussein sends letter to Arab League 7/18 charging Kuwait with stealing oil from disputed Rumaila oilfield straddling Kuwaiti-Iraqi border; Iraqi Foreign Minister Tariq Aziz demands Iraq's $30 billion debt to Arab gulf neighbors be written off. Aziz travels to Cairo for talks with President Mubarak 7/22; they are joined by Jordan's King Hussein 7/23. Mubarak 7/24 visits Kuwait, Iraq and Saudi Arabia, 7/25 announces Iraqi and Kuwaiti agreement to hold talks in Jidda, Saudi Arabia. At 7/25 meeting with US Ambassador April Glaspie in Baghdad, Saddam threatens Kuwait and US. Iraq masses estimated 100,000 troops along Kuwaiti border; Jidda talks break down 8/1 after single 2-hour session.

AUG. 2. Iraqi army invades and conquers Kuwait; Sheik Jabir flees to Saudi Arabia. US President Bush 8/2 calls invasion "naked aggression," issues executive orders halting trade with Iraq and freezing Iraqi and Kuwaiti assets in US; initially says US military intervention is not under consideration, but after meeting with British Prime Minister Margaret Thatcher 8/2 in Aspen, CO, refuses to rule out "any options." USSR 8/2 suspends deliveries of military supplies to Iraq, calls for withdrawal from Kuwait. UN Security Council 8/2 votes unanimously to condemn invasion and demand Iraqi withdrawal. France and Britain freeze Iraqi and Kuwaiti assets in their countries. Secretary of State. Baker and Soviet Foreign Minister Eduard Shevardnadze 8/3 issue joint statement condemning invasion. President Bush 8/3 says "integrity of Saudi Arabia" is "vital interest" for US. Fourteen of 21 members of Arab League, meeting in Cairo, 8/3 pass resolution condemning "Iraqi aggression." EC imposes trade sanctions on Iraq 8/4. Japan bans imports of Iraqi and Kuwaiti oil 8/5.

AUG. 6. UN Security Council votes 13–0, with Yemen and Cuba abstaining, to impose mandatory economic sanctions on Iraq. US Defense Secretary Richard B. Cheney visits Saudi Arabia for talks with King Fahd 8/6; Fahd requests protection of Saudi Arabia by US troops and aircraft; deployment of US troops to Saudi Arabia ("Operation Desert Shield") is ordered by Bush 8/6; 2,300 US paratroopers

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and AWACS, B-52 and F-111 aircraft are sent to guard Saudi oilfields 8/7. Iraq reduces oil flow in pipelines through Turkey 8/6; Turkish President Turgut Özal 8/7 says Turkey will not allow ships to load oil from pipelines. Britain 8/8 sends naval and air forces to gulf region at request of Saudi Arabia. President Bush delivers televised address 8/8, says he seeks withdrawal of Iraqi troops from Kuwait and restoration of Kuwaiti government; says mission of US troops is "wholly defensive." Iraq 8/8 annexes Kuwait. Egyptian President Mubarak 8/8 says Egypt is willing to participate in joint Arab "umbrella" force to facilitate Iraqi withdrawal without Western intervention; calls for emergency Arab League summit.

AUG. 9. UN Security Council votes unanimously to declare annexation of Kuwait "null and void." Saudi King Fahd 8/9, in first public comment on invasion of Kuwait, calls it "vile aggression." Iran denounces invasion as illegal 8/9. Arab League meets in Cairo 8/10 in chaotic closed session; 12 of 21 members vote to send troops to Saudi Arabia. Saddam Hussein delivers speech in Baghdad 8/10 calling for "holy war" against "aggressive invaders" and "disfigured petroleum states." US officials 8/10 say American troop levels in Saudi Arabia could reach 100,000 in few months. Iraq 8/10 orders all foreign embassies in Kuwait to close and send diplomatic personnel to Baghdad. Egyptian and Moroccan troops arrive in Saudi Arabia 8/11. US orders its naval fleet assembling in area to enforce UN economic sanctions, effective 8/16. Saddam 8/12 suggests possible Iraqi pullout, conditional on Israeli withdrawal from occupied territories. Large anti-American, pro-Iraqi demonstration held 8/12 in northern Jordan. Pakistan agrees to send troops to Saudi Arabia 8/13. Iraqi officials 8/13 indicate thousands of Westerners in Iraq and Kuwait, including 3,000 Americans and 5,000 Britons, will not be allowed to leave until crisis has subsided. Jordanian King Hussein meets with Saddam in Baghdad 8/13; King Hussein travels to US 8/14, meets with President Bush in Kennebunkport, ME, 8/16; Bush says Jordan has agreed to abide by UN economic sanctions. Syrian troops begin landing in Saudi Arabia 8/14–15. Saddam 8/15 offers permanent peace settlement to Iran, including withdrawal of Iraqi forces from 1,000 square miles of occupied Iranian territory. Saadi Mahdi Saleh, speaker of Iraqi parliament, announces 8/17 that Iraq will "play host" to detained Westerners, and that they will be held at strategic military and industrial sites. US warships 8/18 fire warning shots across bows of Iraqi oil tankers seeking to exit Persian Gulf; tankers continue sailing to port of Aden, where they are denied permission to unload. Western European Union, military group including 9 EC members, agrees 8/21 to send naval forces to Persian Gulf.

AUG. 21. Lebanese parliament approves constitutional changes to give Muslims and Christians equal representation in parliament and transfer some powers from Christian president to Muslim premier; President Hwari, signing changes into law 9/21, declares "Second Lebanese Republic."

AUG. 22. President Bush authorizes mobilization of 50,000 members of US military reserve. Iraq threatens to close all embassies in Kuwait and arrest diplomatic personnel still there after 8/24; US evacuates most of its embassy personnel by 8/23. Saddam Hussein is shown on Iraqi television 8/23 visiting with group of British hostages. Japan 8/23 offers $1 billion in compensation to Middle Eastern countries harmed economically by embargo of Iraq. Iraqi troops 8/24 surround 9 embassies in Kuwait that refuse to close.

AUG. 24. Irishman Brian Keenan is released in Beirut 4 years after abduction by pro-Iranian Muslim terrorists.

AUG. 25. UN Security Council 8/25 votes 13–0, with Cuba and Yemen abstaining, to authorize US and Western ships in Persian Gulf to use force in upholding embargo of Iraq. US 8/27 expels 36 staff members of Iraqi embassy in Washington, DC. Iraqi television reports 8/28 that Saddam Hussein orders release of all Western women and children held hostage in Iraq. UN Secretary General Javier Pérez de Cuéllar 8/31–9/1 meets in Amman, Jordan, for inconclusive talks with Iraqi Foreign Minister Aziz. Thirteen members of Arab League meet in Cairo 8/30–9/1, renew

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demand that Iraq withdraw from Kuwait. Iraq 9/1 releases 69 Japanese hostages. Over 100 Americans and 450 Europeans are released by Iraq 9/2, and releases continue over next several days. Jordan's Crown Prince Hassan 9/4 complains of West's lack of aid to help Jordan cope with nearly 600,000 South Asian immigrant workers fleeing Kuwait. Defense Secretary Cheney tells reporters US troop strength in Middle East is 100,000 and that it is "too soon" to stop force increase. Secretary of State Baker visits Saudi King Fahd in Jidda 9/6; attains Saudi pledge to provide $500 million per month to support US military effort in gulf and $4 billion per year to aid economies hurt by crisis. Baker meets 9/7 with exiled Kuwaiti emir Sheik Jabir in Taif, Saudi Arabia; sheik offers $5 billion to multinational effort.

SEPT. 9. President Bush and Soviet President Gorbachev meet in Helsinki for 7 hours of discussion of gulf crisis; issue joint statement denouncing Iraqi invasion of Kuwait and calling for unconditional withdrawal; statement also recognizes Soviet role in Arab-Israeli peace efforts. Secretary of State Baker, meeting 9/10 in Brussels with NATO foreign ministers, calls Soviets "very reliable partners" in gulf crisis. President Bush addresses joint session of Congress 9/11; vows "Saddam Hussein will fall." Baker arrives in Syria 9/13 and meets 9/14 with President Assad. Japan 9/14 increases its financial aid to anti-Iraqi effort by $3 billion.

SEPT. 14. Iraqi troops in Kuwait City raid several ambassadorial residences, briefly detaining consuls of US, Britain, Ireland, Australia and Canada. Britain, 9/14, and France, 9/15, announce plans to send additional troops and matériel to Saudi Arabia; West Germany 9/15 pledges $2 billion aid to gulf effort. Iraq opens southern border of Kuwait 9/15, allowing 10,000 persons to flee into Saudi Arabia by 9/18. Iraqi television 9/16 broadcasts unedited video-taped speech by President Bush in which he warns Iraqi people of danger of war. EC foreign ministers meeting in Brussels 9/17 announce Iraqi military attachés will be expelled from all member nations. Soviet Foreign Minister Eduard Shevardnadze 9/25, in speech before UN General Assembly, warns that USSR will support UN-approved military action against Iraq. UN Security Council 9/25 votes 14–1 to extend embargo of Iraq to include airborne traffic.

SEPT. 27. Britain and Iran restore diplomatic relations.

SEPT. 28. Lebanese government forces impose blockade on territory controlled by Gen. Aoun. Lebanese President Hwari 10/29 meets in Damascus with Syrian President Assad. Aoun's supporters protest 10/1 against siege; unknown gunmen open fire on demonstration, killing 25 and wounding more than 80. Hwari officially requests Syrian assistance 10/10. Aoun survives assassination attempt by member of Lebanese Communist Party 10/12. Syrian jets bomb Aoun's headquarters at presidential palace in east Beirut 10/13; nearly 750 are reported killed in assault; Aoun turns over command of his forces to Gen. Emile Laloud, Christian loyal to President Hwari; Aoun is granted asylum at French embassy.

OCT. 1. President Bush, in speech before UN General Assembly, expresses hope for diplomatic resolution to gulf crisis, says Iraqi pullout from Kuwait might provide opportunity "to settle the conflicts that divide the Arabs from Israel." French President François Mitterrand visits King Fahd in Saudi Arabia 10/4. Soviet envoy Evgeny M. Primakov travels to Baghdad 10/4–5; meets with Saddam Hussein, urges Iraqi withdrawal from Kuwait.

OCT. 8. Palestinian crowd at Jerusalem's Temple Mount riots, throwing rocks at Jews worshiping at Wailing Wall; Israeli security forces open fire, killing 21 and injuring more than 150. US 10/9 proposes UN Security Council resolution criticizing Israel; resolution proposing UN fact-finding mission to Jerusalem is passed unanimously 10/12. Israeli Prime Minister Shamir 10/13 rejects UN mission as "external intervention"; Israeli cabinet 10/14 votes unanimously to reject UN investigation, but agrees to allow mission members to enter Israel as tourists.

OCT. 14. Soviet news agency Novsti reports that Saddam Hussein has indicated that Iraq would be willing to consider withdrawal from Kuwait in return for complete control of Rumaila oilfield and 2 islands at head of Persian Gulf. US

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Secretary of State Baker rejects territorial concessions 10/16. President Bush rejects compromise short of total Iraqi withdrawal at election campaign rallies 10/23.

Oct. 21. Palestinian construction worker stabs to death 3 Jews in West Jerusalem in retaliation for 10/8 Temple Mount incident. Israeli Defense Minister Moshe Arens seals borders between Israel and occupied territories 10/23; borders are reopened 10/28.

Oct. 24. UN Security Council unanimously deplores Israeli refusal to accept UN inquiry.

Oct. 25. Lebanese President Hwari announces that 3 militia groups (Shiite Amal, predominantly Druse Progressive Socialist Party and Christian Phalangist Lebanese Forces) have agreed to withdraw their forces from "greater Beirut." Shiite fundamentalist group Hezbollah announces 10/29 that it is also willing to withdraw; Amal and PSP complete withdrawal from Beirut. Lebanese government 11/7 announces planned dissolution of all militias by 3/91 and Syrian army withdrawal to Bekaa Valley in eastern Lebanon by 9/92. US reopens embassy in Beirut 11/29, offers military assistance to government. Lebanese Forces completes pullout from Beirut 12/3. Government 12/4 begins dismantling "Green Line" barricades dividing Beirut into Christian and Muslim enclaves.

Oct. 29. UN Security Council votes 13–0, with 2 abstentions, to declare Iraq liable for financial losses, injuries and damages caused by its invasion of Kuwait. Security Council's Military Staff Committee meets 10/29 to discuss crisis.

Nov. 3. US Secretary of State Baker begins 8-day journey to Middle East, Soviet Union, and Europe. Baker meets 11/6 in Cairo with Chinese Foreign Minister Qian Qichen, who indicates China will not oppose UN resolution authorizing use of force against Iraq.

Nov. 5. Rabbi Meir Kahane, founder of militant Jewish Defense League and Israeli right-wing Kach party, is assassinated in New York by Egyptian-born US citizen.

Nov. 8. President Bush, saying US force in Middle East has reached more than 200,000 troops, orders increase to 400,000 by early 1991, in order to guarantee "an adequate offensive military option."

Nov. 18. Iraqi President Saddam Hussein offers to release all Western hostages over 3-month period beginning at end of 1990 if no war breaks out. Iraqi news agency 11/19 reports that Iraq will increase its troop deployment in "provinces of Kuwait and Basra" to 680,000.

Nov. 21. President Bush arrives in Saudi Arabia, meets in Jidda with King Fahd and Kuwait's Sheik Jabir. Bush 11/22 visits US military sites; holds talks with Egyptian President Mubarak in Cairo 11/22 and with Syrian President Assad in Geneva 11/23.

Nov. 29. UN Security Council votes 15–0 to authorize member states "cooperating with the government of Kuwait . . . to use all means necessary" to bring about immediate and unconditional Iraqi withdrawal. Resolution gives Iraq until 1/15/91 to pull out.

Nov. 30. President Bush invites Iraqi Foreign Minister Aziz to visit Washington, DC, and offers to send Secretary of State Baker to Baghdad to discuss gulf crisis. Iraq 12/1 accepts "the idea of the invitation and the meeting." Saddam Hussein proclaims 12/4 that he will allow all 3,300 Soviet citizens in Iraq to leave; announces 12/6 that all foreign hostages in Iraq and Kuwait will soon be freed. More than 1,000 foreigners, including 163 Americans, are allowed to depart Iraq 12/9. US ambassador to Kuwait and remaining 4-member staff depart 12/13. Most of remaining 2,000 Western hostages fly to West during first 2 weeks of December. US State Department announces 12/11 that 500 Americans have elected to remain in Iraq or Kuwait.

Dec. 5. Israeli Foreign Minister David Levy warns Israel may attack Iraq if US fails to force withdrawal from Kuwait and dismantling of Iraqi military might.

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DEC. 14. President Bush says offered talks with Iraq are "on hold" unless Iraq agrees to receive Secretary Baker no later than 1/3/91.

DEC. 16. Israeli Defense Minister Arens announces resumption of deportation of suspected Palestinian terrorists from occupied territories. UN Security Council 12/20 approves resolution criticizing Israeli deportation policy and calling lands occupied by Israel since 1967 War, including Jerusalem, "Palestinian territories." Resolution is accompanied by nonbinding statement calling for international Middle East peace conference.

DEC. 19. Lebanese Premier Selim al-Hoss resigns. President Hwari 12/20 selects Education Minister Omar Kaladi to form new government. Kaladi names 30-member cabinet 12/24; Lebanese Forces militia leader Geagea refuses to accept cabinet post, saying cabinet contains too many Syrian-backed leftists.

DEC. 22. Six-nation Gulf Cooperation Council (Saudi Arabia, Kuwait, Oman, United Arab Emirates, Bahrain and Qatar) opens summit meeting in Doha, Qatar, to discuss gulf crisis. Council, in closing statement released 12/25, declares that war is only alternative to peaceful Iraqi withdrawal from Kuwait.

DEC. 29. Israeli troops, putting down series of disturbances in Gaza Strip, kill 4 Palestinians and wound 125.

DEC. 31. Israeli fighter-bombers strike PLO base near Sidon, Lebanon, killing 12 guerrillas.

SOUTH ASIA

JAN. 5. Eleven cities in Indian state of Jammu and Kashmir are placed under curfew in response to rumors of planned mass demonstrations by secessionists. Clashes between demonstrators and police 1/8–9 leave 13 dead.

JAN. 20. Rioting breaks out in Srinigar, capital of Kashmir, when state's chief minister, Farooq Abdullah, resigns after Indian government appoints new governor without consulting him. Government troops in Srinigar fire on protesters 1/22; at least 50 are killed. Kashmir's Governor Jagmohan dissolves state assembly 2/19; 400,000 march through Srinigar 2/23 demanding Kashmiri independence. Indian security troops fire into crowd of marchers in Srinigar 3/1, killing at least 32.

FEB. 18. Nepali King Birenda, in radio address, reaffirms ban on political parties; estimated 10,000 protest in capital, Katmandu. Opposition Movement to Restore Democracy calls general strike for 2/19. Police shoot at protesters in Jaddukuha 2/20, killing at least 3.

FEB. 27. Congress (I) party loses control of 6 of 8 Indian states holding local elections. India's governing National Front coalition wins outright majorities in 3 states.

MAR. 6. Rebel Afghan military forces led by hard-line communist Defense Minister Shahnawaz Tanai bombard presidential palace in Kabul in coup attempt; Gulbuddin Hekmatyar, a leader of anticommunist mujahedeen rebels, announces support for coup. Tanai 3/7 flies to Pakistan to meet with Hekmatyar. Fighting ceases 3/8.

MAR. 24. India withdraws last 2,000 of its peacekeeping troops from Sri Lanka. Pullout leaves separatist Liberation Tigers of Tamil Eelam in de facto control of northeastern Sri Lanka.

MAR. 29. Due to poor showing in 2/27 state legislative elections, Congress (I) party loses control of Rajya Sabha, upper house of Indian Parliament, giving National Front coalition control of both parliamentary houses.

MAR. 30. Leader of Jammu and Kashmir Liberation Front, Ashfaq Majid, is killed in clash with security police; 50,000 defy curfew in Srinigar 3/31 to join Majid's funeral. Indian Prime Minister Singh 4/10 accuses Pakistan of aiding Kashmiri Muslim insurgents and warns of possible military reprisal; Pakistani chief

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of staff, Gen. Mirza Aslam Beg, refutes Singh's claims, charges that India is massing troops near Pakistani border.

APR. 3. Bomb set by Sikh terrorists explodes amid Hindu religious procession in Indian Punjab, killing 35; Hindu-Sikh clashes throughout state in following days kill additional 16.

APR. 8. Nepali King Birenda proposes adding opposition figures to his existing cabinet; opposition rejects offer 4/10. Fifteen thousand march in Katmandu 4/15 demanding resignation of Prime Minister Lokendra Bahadur Chand, laying siege to building where Chand is meeting with opposition representatives. Birenda announces Chand's resignation 4/17; approves opposition leader Krishna Prasad Bhattarai to be new premier; opposition leaders promise multiparty elections within 1 year. Bhattarai is sworn in 4/19.

MAY 21. Maulvi Mohammed Farooq, chief Muslim cleric in Kashmir, is assassinated in his home in Srinigar. Funeral procession of 100,000 later that day is fired upon by Indian security forces, resulting in 60 deaths. 350,000 mourners gather for Farooq's burial 5/22.

MAY 27. About 80 protesters in Hyderabad, Pakistan, are killed when police fire on crowd demanding release of militants suspected of participation in strife between native Sindis and "Mohajir" Muslim immigrants from India.

JUNE 11. Rebel Tigers of Tamil Eelam seize 10 police stations and 600 officers in eastern Sri Lanka; they kill many policemen 6/12–13, according to escaped hostages. Government and rebels 6/16 agree to ceasefire and exchange of prisoners. Tigers break ceasefire 6/17. Rebels kill 140 Muslims at prayer in town of Kathankudy 8/3.

AUG. 6. Pakistani President Ghulam Ishaq Khan, accusing Prime Minister Benazir Bhutto of "corruption and nepotism," dismisses her, declares state of emergency and authorizes military to take control of national television station and telephone system; Ishaq Khan names Ghulam Mustafa Jatoi interim prime minister, sets elections for 10/24. Interim government 8/21 establishes judicial tribunals to try officials of Bhutto government. Bhutto is charged with abuse of power 9/10. Hearings on charges against her are postponed 10/2 when rioters storm courtroom in Lahore. Bhutto's husband, Asif Ali Zardari, is arrested 10/10 in Karachi on charges of 9/89 kidnapping of a Pakistani-born British businessman.

AUG. 23–27. Students from India's upper and middle castes riot in New Delhi against government plan to increase portion of civil service jobs reserved for lower-caste members to 49% from 22%. Indian Supreme Court 10/1 orders government to delay plan's implementation. Maoist terrorists protesting court injunction burn railroad car near Hyderabad 10/9, killing 47.

SEPT. 10. Nepal's interim government unveils new constitution establishing multiparty democracy, sharply limiting powers of king and granting civil liberties. Government also announces parliamentary elections will be held 4/91. King Birenda approves constitution 11/9.

OCT. 10–17. Students riot in Bangladesh, demanding resignation of President Hossein Mohammed Ershad; at least 8 are killed.

OCT. 23. Lal Kishanchand Advani, a leader of India's Hindu-fundamentalist Bharatiya Janata Party, is arrested for leading unruly demonstrations demanding Hindu temple be built on site of Muslim mosque in Ayodhya, Uttar Pradesh. BJP 10/23 pulls out of National Front coalition government in protest, leaving coalition with minority in parliament. BJP calls nationwide strike 10/24; at least 54 persons are killed in Hindu-Muslim confrontations. Thousands of Hindu rioters occupy Ayodhya mosque 10/30; police kill at least 6 in struggle; 50 are killed elsewhere in India in related strife.

OCT. 24. Pakistan holds national elections. Islamic Democratic Alliance coalition interim government captures 105 seats in 217-seat National Assembly; coalition headed by ousted Prime Minister Bhutto's Pakistan People's Party takes only 45 seats; independents and minor ethnic parties win remaining seats. IDA wins

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landslide victory in local elections held 10/27. New National Assembly is sworn in 11/3. National Assembly 11/6 chooses Nawaz Sharif, candidate of IDA's largest constituent party, Pakistan Muslim League, prime minister by 153–39 vote. State of emergency is lifted 11/7.

Nov. 7. Indian Prime Minister Singh loses vote of confidence in parliament 346–142; Singh resigns. President Ramaswamy Venkataraman offers prime ministership to former Prime Minister Rajiv Gandhi 11/8; Gandhi declines, throws support behind Chandra Shekhar, leader of breakaway faction of Singh's Janata Dal Party. Venkataraman appoints Shekhar prime minister 11/9. Shekhar wins parliamentary vote of confidence 11/16 by vote of 269–204. Government 11/28 institutes direct rule over Assam state in response to separatist violence.

Nov. 27. Bangladeshi President Ershad declares state of emergency in response to demands for his resignation. Troops open fire on student demonstrators in Chittagong 12/3, wounding at least 50. Ershad resigns 12/4. Leaders of Bangladeshi opposition parties 12/5 nominate Supreme Court Chief Justice Shahabuddin Ahmed to serve as interim leader; Ahmed takes power 12/6. Ershad and his wife are arrested 12/12 on charges of corruption.

Dec. 7–9. Hindu-Muslim rioting in Hyderabad, India, results in 64 deaths; army troops take control of city in effort to halt violence.

EAST ASIA AND THE PACIFIC

China and Northeast Asia

Jan. 11. Martial law in Beijing, declared 6/89, is lifted by decree of Chinese Premier Li Peng. Tiananmen Square is reopened to public for first time since crackdown on prodemocracy movement.

Jan. 10–12. British Governor of Hong Kong Sir David Wilson travels to Beijing for talks concerning return of colony to Chinese sovereignty in 1997.

Jan. 21. Defying government ban, 2,500 prodemocracy protesters stage demonstration in Ulan Bator, Mongolia.

Jan. 22. South Korean President Roh Tae Woo's Democratic Justice Party agrees to merge with 2 opposition parties—Reunification Democratic Party, led by Kim Young Sam, and New Democratic Republican Party, lead by Kim Jong Pil. Kim Dae Jung's Party for Peace and Democracy is to remain separate. Parties officially merge into new Democratic Liberal Party 2/9.

Feb. 14. US Secretary of Defense Richard B. Cheney begins 10-day visit to South Korea, Hong Kong, Japan and Philippines. Cheney 2/22 announces US plan for 10% troop cut in Asia/Pacific region over next 3 years.

Feb. 16. Constitutional drafting committee in Hong Kong gives final approval to new Basic Law for colony, providing for 18 members of 60-seat Legislative Council to be directly elected beginning in 1991. Thousands of students protest proposed Basic Law 2/16.

Feb 18. In elections to lower house of Japanese Diet (parliament), ruling Liberal Democratic Party captures 275 seats, enough to maintain majority. Opposition Japan Socialist Party increases its representation to 136 seats from 83.

Mar. 12. Central Committee of Mongolian People's Revolutionary (Communist) Party convenes in Ulan Bator; Jambyn Batmönh steps down as party leader; entire politburo resigns. Gombojavyn Ochirbat is selected to succeed Batmönh as chairman 3/14, promises development of democracy and protection of human rights; new reformist politburo is named. Punsalmaagiyn Ochirbat succeeds Batmönh as head of state 3/21, and Sharabyn Gunjaadorj is chosen as new premier. Parliament 3/23 amends constitution to eliminate Communist Party monopoly of power, provides for direct popular election of next president. Approximately 13,000 protesters in Ulan Bator 3/25 demand resignation of entire parliament. First

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national congress of opposition Mongolian Democratic Party meets in Ulan Bator 4/8.

MAR. 20. Chinese parliament, National People's Congress, opens in Beijing; Premier Li calls for tighter control of "hostile elements at home"; also calls for some loosening of monetary policy. Congress 3/21 approves 15% increase in state military budget. Congress adjourns 4/4.

MAR. 21. Taiwan's National Assembly reelects President Lee Teng-hui to 6-year term. Lee later meets with 4,000 prodemocracy demonstrators protesting assembly's domination by elderly delegates elected in China before 1949 communist revolution. Demonstrators 3/22 leave Chiang Kai-shek Square, which they have occupied for 6 days.

APR. 5–6. Chinese television reports that 22 persons are killed in "counter-revolutionary" rioting in predominantly Muslim province of Xinjiang in northwest China.

APR. 19. British House of Commons approves bill offering residency in United Kingdom to 225,000 citizens of Hong Kong, to be selected according to system that would favor professionals.

APR. 23. Chinese Premier Li visits Soviet Union; first Chinese premier to do so since 1964. Li meets with Soviet President Mikhail Gorbachev 4/24. They agree that there are "no universal formulas" for socialism; agree to cut troop levels along common border; sign 10-year pact for increased economic and scientific cooperation.

APR. 30. Chinese government lifts martial law in Tibet, in effect in capital, Lhasa, since 3/89.

— Japanese Foreign Minister Taro Nakayama announces that third-generation ethnic Koreans residing in Japan will be granted permanent-resident status. Japanese Emperor Akihito 5/24 expresses "deepest regret" for 1910–1945 occupation of Korea at 5/24 banquet for visiting South Korean President Roh.

MAY 9. Estimated 100,000 students in 16 South Korean cities protest inaugural meeting of newly merged Democratic Liberal Party. Demonstrations are held in Kwangju 5/18–20 to commemorate anniversary of 1980 prodemocracy uprising; 50 are reported injured 5/20 when police fire tear gas at crowd of 10,000 students.

MAY 20. In presidential inaugural address, Taiwan President Lee calls for opening "channels of communication" with People's Republic of China and for ending state of war. Lee also announces release of 9 imprisoned leading dissidents.

JUNE 3. At Beijing University, 200 students hurl bottles at dormitory windows to mark first anniversary of Tiananmen Square crackdown. One thousand students hold antigovernment demonstration on campus 6/4.

JUNE 25. China allows leading dissident physicist Fang Lizhi and his wife, who had been seeking asylum in US embassy in Beijing for more than 1 year, to leave country, officially to seek "medical treatment"; Fang arrives in London 6/25, to assume position as senior visiting fellow at Cambridge University.

JULY 3. At conclusion of 3-day meeting in Beijing, foreign ministers of China and Indonesia sign agreement restoring diplomatic relations, effective 8/8.

— North and South Korea announce that their prime ministers will meet in Seoul in September. North Korea offers to allow temporary opening of its border with South Korea; plan collapses 8/2 in bickering over terms. South Korean riot police 8/13 turn away small crowd attempting to cross border; 10,000 protesters in Seoul clash with police 8/15. North Korean Premier Yon Hyong Muk meets with South Korean counterpart Kang Young Hoon in Seoul 9/5–6; both sides agree to study idea of shared seat in UN and to resume negotiations on joining families separated by intra-Korean border.

JULY 29. In Mongolian general elections, ruling Communists win 343 seats in 430-seat People's Great Hural (upper house of parliament); opposition Mongolian Democratic Party takes 34 seats and independents and smaller-party candidates take 25; Communists win 60% of seats in Small Hural (lower house). Parliament

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convenes 9/3; reelects Punsalmaagiyn Ochirbat president; elects Dash Bambasuren premier.

SEPT. 20. Olympic Council of Asia votes to forbid Iraq from participating in 11th Asian Games because of its invasion of Kuwait. Games are held in Beijing 9/22–10/7.

OCT. 4. South Korean army deserter Pvt. Yoon Sok Yan reveals documents showing army intelligence maintained classified dossiers on over 1,300 civilians. Defense Minister Lee Sang Hoon and commander of army intelligence Cho Nam Pung are dismissed 10/8. Opposition political leader Kim Dae Jung begins hunger strike to protest domestic spying 10/8; ends strike 10/20 when government agrees to discuss demands for administrative and electoral reform.

OCT. 16. Japanese cabinet proposes that Japan send 1,000 noncombat soldiers to Persian Gulf to aid in multinational effort to oppose Iraqi invasion of Kuwait. After protests from opposition parties that move would violate constitution, plan is withdrawn 11/10.

OCT. 17. North and South Korean premiers meet for talks in Pyongyang, North Korea; little progress is made; talks conclude 10/18.

NOV. 12. Japanese Emperor Akihito enthroned following 1-year mourning period after death of his father, Hirohito.

NOV. 30. Chinese Foreign Minister Qian Qichen visits President Bush in White House in higest-level meeting between US and Chinese officials since 1989 Tiananmen Square crackdown.

DEC. 20. Japanese Prime Minister Kaifu announces that Japan will increase its share of cost of maintaining US troops in Japan by $600 million over next 5 years.

DEC. 25. Chinese Communist Party Central Committee convenes in Beijing. China's top leader, Deng Xiaoping, appears on television 12/26 for first time in 5 months; is shown casting vote in local elections. Central Committee closes session 12/30, approving moderate 5-year economic plan; details are not made public, but communiqué is issued cautioning against rapid economic growth.

DEC. 30. Former military leader of South Korea, Chun Doo Hwan, returns to Seoul after 2 years of self-imposed exile in Buddhist temple.

SOUTHEAST ASIA AND THE PACIFIC

JAN. 3. Retirement, for health reasons, of Vietnamese Communist Party's secretary general, Nguyen Van Linh, 74, is announced.

JAN. 15. Five permanent members of UN Security Council meet in Paris to discuss Cambodian civil war. Security Council members 1/16 release communiqué supporting expanded UN role in settling conflict, calling for UN-verified withdrawal of Vietnamese troops, "effective UN presence" during transition to self-government, and free, UN-supervised elections.

JAN. 17. Burma's military government bans leading opposition figure, Aung San Suu Kyi, from participating in scheduled general elections.

FEB. 26. Cambodian peace conference convenes in Jakarta, attended by representatives of Vietnam, other Southeast Asian and Pacific nations, and 4 warring Cambodian factions (Vietnamese-backed government and opposition coalition consisting of backers of Prince Norodom Sihanouk, noncommunist Khmer People's Liberation Front, and communist Khmer Rouge). Australian plan calling for immediate ceasefire and UN-supervised elections, with UN to administer country until elections are held, is put forward 2/26. No agreements are reached; conference concludes 3/1.

MAR. 24. Australian parliamentary elections are held; Prime Minister Bob Hawke's Labor Party is returned to power, capturing 78 parliamentary seats; opposition Liberal-National coalition takes 69 seats; before election, Labor held 85–63 majority.

MAR. 28. Central Committee of Vietnamese Communist Party announces expul-

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sion from Politburo and Central Committee of Tran Xuan Bach, advocate of political reform and economic liberalization.

APR. 10. US President Bush names former Assistant Secretary of Defense Richard L. Armitage to represent US at talks with Philippines concerning future of US bases there. Protests are staged 5/1 throughout Philippines to demand closing of bases. US Marine Sgt. John S. Fredette is shot and killed near Subic Bay Naval Station 5/4. 2 US airmen are shot and killed 5/13 near Clark Air Force Base; communist New People's Army 5/15 claims responsibility for airmen's killing. US-Philippine base talks open 5/14 in Manila.

MAY 27. Free multiparty parliamentary elections held in Burma; ruling military junta announces 5/28 that opposition National League of Democracy has won majority in National Assembly and promises to turn over power to civilian government after assembly drafts new constitution. Official results announced 7/1 show League of Democracy won 397 of 485 seats; government-sponsored National Unity Party received only 10.

JUNE 4. Cambodian Khmer Rouge rebels announce boycott of Tokyo talks between Cambodian President Hun Sen and rebel coalition leader Prince Norodom Sihanouk. Hun and Sihanouk sign conditional ceasefire agreement 6/5, officially set to begin after formation of committee of government and rebel officials. Forces of Khmer Rouge and Sihanouk 6/17 attack and capture Kompong Thom, provincial capital north of Phnom Penh. Khmer Rouge leaders 7/1 report that all roads linking Phnom Penh and northwest Cambodia have been cut off.

JUNE 13. US Peace Corps worker Timothy Swanson is kidnapped from his home on Negros Island in Philippines. Communist New People's Army announces 7/6 that they abducted Swanson and Fumio Mizuno, Japanese aid worker. Swanson and Mizuno are freed unhurt 8/2.

JULY 13. Burmese Military intelligence chief Gen. Khin Nyuht announces that opposition leader Aung San Suu Kyi will not be released from her 1-year sentence of house arrest as scheduled 7/19. Six other opposition leaders are jailed 9/6.

— Agreement establishing free trade in goods takes effect between Australia and New Zealand.

JULY 18. Secretary of State James A. Baker announces US is withdrawing diplomatic recognition of Cambodian rebel coalition and support of rebel occupation of Cambodia's seat in UN, and will open talks with Vietnam to attempt to settle Cambodian civil war.

AUG. 29. Philippine President Corazon Aquino announces she is willing to negotiate with communist and military rebels to reach ceasefire agreement.

SEPT. 4. New Zealand Prime Minister Geoffrey Palmer resigns. External Relations and Trade Minister Mike Moore succeeds Palmer as Labour Party leader and prime minister.

SEPT. 9. Talks open in Jakarta, Indonesia, among 4 factions in Cambodian civil war; all parties agree 9/10 to abide by UN plan to end civil war. Factions select 12-member Supreme Council to govern country under UN supervision until free elections are held.

SEPT. 18. US-Philippine military bases talks reconvene in Manila. Disagreements over pace of phase-out of US facilities prevent agreement; talks end 9/22.

SEPT. 29. US Secretary of State Baker meets with Vietnamese Foreign Minister Nguyen Co Thach in New York to discuss Cambodian civil war.

OCT. 4. Two hundred rebellious Philippine soldiers capture military outpost on Mindanao and declare island independent republic. Philippine air force 10/5 bombs mutineers' stronghold; rebel leader Col. Alexander Noble surrenders to police 10/6.

OCT. 20–21. National elections are held in Malaysia; ruling National Front remains in power, capturing 127 out of 180 parliamentary seats, down from 133 in previous election. Opposition coalition of ethnic Chinese and Muslim fundamen-

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talist parties increases representation to 48 seats from 40; independents win remainder.

Oct. 22. Burmese army raids Buddhist monasteries in Mandalay, seizing typewriters and opposition political publications. Military arrests 12 opposition figures 10/23. Government sentences opposition leaders U Kyi Maung and U Chit Khaing to 10 years in prison 11/19.

Oct. 27. In New Zealand general elections, opposition National Party captures 49% of vote, increasing parliamentary representation to 68 from 40; ruling Labour Party loses power, taking 35% of vote and winning only 28 seats, down from 56. James Bolger, head of National Party, is elected prime minister 10/27.

Nov. 26. Lee Kwan Yew retires as prime minister of Singapore and is succeeded by Deputy Prime Minister Goh Chok Tong.

Nov. 30. Vietnamese government publishes new economic plan, blaming country's economic straits on dogmatic communism and promising more open economy.

Dec. 8. Prime Minister Chatichai Choonhavan resigns and dissolves his 7-party coalition government, reportedly in effort to form new coalition to satisfy military critics. Chatichai is reappointed by King Bhumibol Adulyadej 12/9.

Dec. 19. Members of Burmese opposition issue statement declaring a rival national government, National Coalition Government of the Union of Burma.

Dec. 22. UN Security Council votes to dissolve US Trust Territory of the Pacific Islands. US-administered island of Palau is sole remaining UN trusteeship territory.

Dec. 23. Four warring Cambodian factions conclude 2-day meeting in Paris; disagreement remains on terms under which factions will be disarmed.

LATIN AMERICA

Mexico, Central America and the Caribbean

Jan. 1. A Panamanian, Fernando Manfredo Bernal, takes over as acting administrator of Panama Canal, according to 1977 Canal Treaty. Panamanian strongman Gen. Manuel Antonio Noriega, deposed by 12/89 US invasion, leaves refuge in Panama City's papal mission 1/3, is arrested by US Drug Enforcement Administration officials, and is flown to Homestead Air Force Base, FL.

— Two nuns are killed in attack near village of Oja de Agua in northeastern Nicaragua. Nicaraguan nun and American auxiliary bishop of Bluefields are wounded; church and government officials blame contra forces for attack.

Jan. 7. El Salvador's President Alfredo Cristiani announces that military was involved in 11/89 killing of 6 Jesuits, their housekeeper and her daughter. Nine soldiers are arrested 1/13 and charged with murder 1/19. Cristiani visits US 1/30–2/2; meets with President Bush 2/1.

Jan. 12. Prominent Salvadoran leftist politician Héctor Oqueli Colindres and Guatemalan human rights lawyer Gilda Flores are abducted by armed men in Guatemala City; they are later found dead.

Jan. 20. Following killing of army officer by unidentified gunmen in Port-au-Prince, Haitian government declares 30-day state of siege. Several opposition leaders are detained and beaten; 7 are forced into exile over next few days. France suspends financial aid to Haiti 1/26. President Prosper Avril lifts state of siege 1/29 and allows exiles to return.

Jan. 31. US Coast Guard patrol vessel fires on Cuban freighter in international waters off Mexico after Cuban boat refuses request for Coast Guard officials to board and search for illegal drugs. Damaged Cuban ship returns to Mexican port.

Feb. 4. Rafael Calderón Fournier of Social Christian Unity Party (PUNC) is elected president of Costa Rica, defeating Carlos Manuel Castillo, candidate of outgoing President Oscar Arias Sánchez's National Liberation Party (PLN), 52%-48%. PUNC takes 29 seats in 57-seat National Assembly; PLN wins 25. Calderón takes office 5/8.

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FEB. 5. Hard-line former director of contra Nicaraguan Resistance organization, Enrique Bermudez, is removed as commanding general.

FEB. 9. Nicaraguan government releases all political prisoners, including 1,151 contra rebels and 39 members of deposed President Anastasio Somoza's National Guard, in goodwill gesture before national elections.

FEB. 25. Violeta Barrios de Chamorro of National Opposition Union (UNO) defeats incumbent Sandinista President Daniel Ortega Saavedra in Nicaraguan national elections, 55%-40%; UNO captures 52 of 90 seats in National Assembly, Sandinista National Liberation Front (FSLN) receives 38. Ortega 2/26 concedes defeat, says he will "respect and obey the popular mandate." Ortega meets with Chamorro 2/26; both sides begin transition discussions 2/27. Bush administration 2/27 promises aid to new government. Ortega tells Sandinista rally 2/27 that contras must disband before Sandinistas will relinquish control of army and police; Chamorro calls on contras to disband quickly. US humanitarian aid to contras expires 2/28. Ortega announces end to press censorship in Nicaragua 3/6. President Bush 3/13 announces lifting of all economic sanctions against Nicaragua and issues emergency request to Congress for $300 million in economic aid.

Mar.4. Twelve-party Haitian opposition coalition, so-called Unity Assembly, is formed; calls for free elections and resignation of President Avril. Girl is killed 3/5 when police break up antigovernment protest near Port-au-Prince; street protests occur throughout country 3/6–9. Avril resigns 3/10. Unity Assembly 3/11 chooses Supreme Court Justice Ertha Pascal-Trouillot as interim president. Avril leaves Haiti for Florida 3/12. Pascal-Trouillot is sworn in 3/13. Pascal-Trouillot 3/18 names 13-member cabinet. At least 40 members of civilian defense groups are killed 3/18–23 by supporters of Avril and ousted dictator Jean-Claude Duvalier. Government 3/28 announces restoration of most of 1987 constitution.

MAR. 13. National Democratic Congress wins 7 of 15 seats in Grenada's parliament; NDC leader Nicholas Braithwaite, forming coalition with outgoing National Party, is appointed prime minister 3/16.

MAR. 20. Nicaraguan National Assembly votes 83–3 to grant lifelong immunity from prosecution to political officials elected since 1984, and to officials elected in future, during their terms of office.

MAR. 23. Contra leaders, meeting in Tegucigalpa, Honduras, with representatives of Nicaraguan President-elect Chamorro, agree to dismantle camps inside Honduras beginning 4/20; contra forces inside Nicaragua are to congregate in UN-supervised security zones, to await reabsorbtion into Nicaraguan society. Agreement also calls for immediate ceasefire, to be supervised by multinational UN Observer Group in Central America and International Commission for Support and Verification. Contra official Aristedes Sánchez says 3/25 that only 2,000 contras remain in Honduras; 10,000 contras said to have returned to Nicaragua. Sandinista government 3/27 signs agreement recognizing Chamorro government's right to authority over army and security forces.

MAR. 27. US-financed television station TV Martí begins 90-day trial, broadcasting from Florida to Cuba; Cuban government immediately attempts to jam broadcasts. President Bush 8/26 calls for TV Martí to be put into permanent operation.

APR. 3. Presidents of Nicaragua, Honduras, Guatemala, El Salvador and Costa Rica, meeting in Montélimar, Nicaragua, set deadline of 4/25 for all contra forces in Honduras and Nicaragua to demobilize. Agreement calls on contras within Nicaragua to surrender weapons to UN peacekeeping troops; Honduran President Leonardo Callejas says 4/4 that no contras will be granted refugee status in his country. Venezuelan troops under UN auspices arrive in Honduras 4/10 to oversee demobilization. Representatives of contras, Sandinista army and Nicaragua's incoming Chamorro government sign ceasefire agreement 4/19 in Managua; bilateral truce begins 4/19, allowing contras to move troops into security zones by 4/25.

— Dr. Humberto Alvarez Machain, suspect in 1985 torture and killing of

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American Drug Enforcement Agency officer in Mexico, is flown to El Paso by bounty hunters after being kidnapped in Guadalajara. Alvarez is turned over to waiting DEA officials and is arraigned in Los Angeles 4/10. Mexican embassy in Washington, DC, 4/18 demands explanation of incident, and US and Mexican attorneys general meet in Washington same day.

APR. 25. Violeta Barrios de Chamorro is sworn in as president of Nicaragua; Chamorro announces that Sandinista armed forces chief Humberto Ortega Saavedra will retain that position, although Chamorro herself will replace him as defense minister; Chamorro ends military draft, announces amnesty covering political crimes committed during contra war. Chamorro's cabinet, boycotted by leaders of other UNO coalition factions due to Ortega's reappointment, is sworn in 4/25. Contra forces cite Ortega's reappointment to postpone compliance with demobilization.

APR. 29. Panamanian President Guillermo Endara travels to US; Endara and President Bush 4/30 sign 3 agreements designed to combat drug trafficking; Bush 4/30 announces nomination of Panamanian Gilberto Guardia Fabrega to be Panama Canal administrator, subject to approval by US Senate.

MAY 2. Jamaican Prime Minister Michael Manley arrives in US; visits President Bush 5/3; Bush praises Manley for contributing to economic progress for Jamaica.

MAY 4. Disarmament talks open between Nicaraguan government and contra forces, with President Chamorro pledging to reduce military's role in Nicaragua. In "Declaration of Managua," released 5/5, Chamorro promises to grant contras land in southern Nicaragua, provided they disarm. Rebels begin disarming 5/8. Southern Front contra group signs peace treaty with government 5/13, final contra group to do so. Demobilization officially concludes 6/29.

— Deposed Panamanian dictator Noriega is arraigned on charges of aiding drug trafficking in Miami district court.

MAY 7. President Chamorro suspends law passed in final weeks of Sandinista government guaranteeing job protection to government employees. Estimated 60,000 civil servants begin strike 5/10, occupying government buildings. Labor Minister Francisco Rosales 5/14 declares strike illegal; strike spreads 5/15 to employees of telephone service, public transit and banks. Government agrees 5/16 to tie civil servants' salaries to inflation and reinstate job-protection law; strike ends 5/17.

MAY 13. Mexico's Chamber of Deputies votes 339–54, with 12 abstentions, to sell most of its 66% share in country's commercial banks, nationalized in 1982, and to allow new banks to be set up.

MAY 16. Presidential elections are held in Dominican Republic; President Joaquín Balaguer of Social Christian Reformist Party defeats Juan Bosch Gaviño of Dominican Liberation Party by only 18,000 votes. Vote count is suspended 5/20 and recount is ordered. Central Electoral Board declares Balaguer winner 6/11. Balaguer is sworn in 8/16.

MAY 21. Representatives of Salvadoran government and rebel Farabundo Martí National Liberation Front (FMLN), meeting in Caracas, announce agreement on "general agenda" to end civil war.

MAY 27. Prime Minister Eugenia Charles of Dominica is returned to office when her Dominica Freedom Party captures 11 of 21 elected seats in House of Assembly.

JUNE 8. American ranch owner, Michael DeVine, is kidnapped near Poptún, Guatemala; his body is discovered 6/9. President Bush 9/19 threatens to cut off military aid to Guatemala if DeVine's killers are not found. Guatemalan army detains 5 soldiers in case 10/5.

JUNE 17. Presidents of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, meeting in Antigua, Guatemala, announce agreement to form Central American economic community, reduce regional tariffs, and cooperate in seeking foreign investment and coordinating development.

JULY 2. Sandinista-led National Workers' Front labor union calls strike to de-

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mand changes in Nicaraguan economic policy, including plans to privatize land and industries nationalized by Sandinistas. Government 7/6 breaks off talks, says it will fire strikers. Sandinista sympathizers stage protests, build street barricades, occupy radio and television stations 7/7–9. Riot police and soldiers and Sandinistas clash 7/10; Chamorro 7/11 pledges to open negotiations. Strike ends 7/12; government agrees to raise pay of government workers and to suspend return of Sandinista-confiscated land.

JULY 9. Five Cuban dissidents seek asylum at Czechoslovak embassy in Havana; 9 more join them by 7/11 and 3 others take refuge in Spanish embassy 7/11–12. By 8/14 some 60 dissidents are seeking asylum in 5 Havana embassies. After Cuba offers assurances that asylum-seekers will not be prosecuted, all dissidents leave embassies by 9/4.

JULY 26. Salvadoran government and FMLN rebels, meeting in San José, Costa Rica, sign human rights accord. Pact, to be monitored by UN commission, is to come into effect as soon as rebels and government agree on terms of ceasefire.

JULY 27. One hundred members of Jamaat al-Muslimeen, black Muslim group, seize Trinidad and Tobago's parliament building, taking hostage Prime Minister Arthur N. R. Robinson, several cabinet ministers and members of parliament; rebels also seize government television station and police station, which they blow up, killing 37 policemen. Coup leader Abu Bakr announces on television that Robinson's government has been overthrown and promises elections in 90 days. Rebels 7/28 announce that prime minister has been wired with explosives to prevent his rescue. Government troops and rebels battle in capital, Port of Spain, 7/28–30; looters ransack and burn stores 7/30. Robinson is freed 7/31; rebels release remaining hostages and surrender 8/1.

AUG. 14. Haitian Council of State, which has veto power over major appointments and decisions of interim President Pascal-Trouillot, passes vote of no confidence in her administration. Twelve-party Unity Assembly 8/23 demands Pascal-Trouillot's resignation; 3 cabinet ministers resign 8/24.

AUG. 20. President Bush signs into law bill making permanent provisions of 1983 Caribbean Basin Initiative to reduce or eliminate tariffs on US imports from Caribbean and Central America.

AUG. 22. Guatemala's National Citizen's Registry declares ousted President Efraín Ríos Montt ineligible to run for president. In first round of voting 11/11, National Center Union Jorge Carpio Nicolle collects 25.6% of votes; Movement of Social Action candidate, Christian evangelist Jorge Antonio Serrano Elías finishes second with 24.3%. Runoff is scheduled for 1/6/91.

SEPT. 18. Salvadoran FMLN rebels announce they will begin "political offensive" as peace talks with Salvadoran government in San José, Costa Rica, adjourn without ceasefire agreement. President Cristiani visits Washington, DC, 9/24; announces plan to create panel of 3 US judges to investigate 11/89 Jesuit murders; meets with Vice President Dan Quayle 9/27. FMLN attacks Ilopango air base 10/17; launches military offensive 11/20, attacking army positions in 7 provinces. Rebels firing ground-to-air missiles down Salvadoran military aircraft 11/23 and 12/4. Bush administration announces 12/7 it will rush $48 million in aid to El Salvador.

NOV. 5. Haitian Electoral Council bars 10 candidates, including former President Leslie Manigat and 3 associates of deposed dictator Duvalier, from running for president.

NOV. 26–27. President Bush meets with Mexican President Carlos Salinas de Gortari in Monterrey, Mexico, to discuss proposed US-Mexican free-trade zone.

DEC. 2. Guatemalan troops open fire on crowd of civilians protesting nighttime military raid in town of Santiago Atitlán, killing at least 11.

DEC. 4. Rebel Panamanian police under command of retired national police Col. Eduardo Herrera Hassan seize headquarters of national police. US troops surround building 12/5, forcing surrender of rebels.

DEC. 5. At campaign rally in Port-au-Prince, Haiti, for presidential front-runner

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Rev. Jean-Bertrand Aristide, 7 persons are killed when grenades are detonated among crowd. Funeral procession 12/13 attracts 2,000 mourners. Haiti holds general elections 12/16; UN observers estimate that presidential candidate Aristide wins with 60–70% of vote.

SOUTH AMERICA

JAN. 4. Chilean President-elect Patricio Aylwin announces plans to dissolve currently ruling military junta following his inauguration in March. Aylwin 1/9 names 20-member cabinet; Christian Democrats to hold 20 posts, Socialists to hold 6.

JAN. 7. Colombian President Virgilio Barco denounces rumored US naval blockade of Colombia to monitor drug traffic. US officials 1/8 disclose that plans for blockade have been dropped.

JAN. 17. Colombia's Medellín drug cartel offers to halt bombing and assassination campaign in return for end to government extradition of trafficking suspects to US for trial; cartel releases 20 hostages seized in recent weeks.

JAN. 24. Brazilian President-elect Fernando Collor de Mello begins 20-day world tour, aimed at winning support of international political and business leaders. Collor 3/2 names leading environmentalist José Lutzemberger to be minister of environment.

FEB. 15. President Bush meets with presidents of Colombia, Bolivia and Peru in Cartegena, Colombia; leaders sign agreement to cooperate in combatting drug trafficking; agreement includes US pledge to work to control demand and consumption.

— Great Britain and Argentina restore diplomatic relations, broken off in 1982 over Falkland Islands War. Britain agrees to lift 150-mile "exclusion zone" around islands.

FEB. 26. Argentine President Carlos Saúl Menem signs decree giving military increased powers to suppress internal unrest. Argentine government 3/4 proposes new austerity plan that would eliminate 88 government departments and a state-owned bank.

MAR. 1. Luis Alberto Lacalle is sworn in as president of Uruguay.

MAR. 11. Patricio Aylwin is sworn in as president of Chile.

MAR. 15. Fernando Collor de Mello is sworn in as president of Brazil. Collor 3/16 introduces broad economic program to cut spending and reduce inflation. Plan includes: 18-month freeze on bank accounts of over $1,000; rollback and 30-day freeze on wages and prices; change in currency (from cruzado novo to cruzeiro); new taxes on corporations and wealthy; and rate increase for state-owned services.

MAR. 20. Venezuela reaches agreement to reduce its $20 billion commercial bank debt, becoming fourth country (after Mexico, Costa Rica and Philippines) to do so under guidelines of US Treasury's 1989 "Brady Plan."

MAR. 21. Peronist trade unions in Argentina stage 1-day national strike to protest government's privatization program; railroad and oil industry workers reject participation in strike.

MAR. 22. Presidential candidate of Colombia's leftist Patriotic Union, Bernardo Jaramillo Ossa, is shot by gunman at Bogotá airport; later dies. Police report gunman was hired by Medellín drug cartel.

MAR. 23. Suriname rebel leader Ronny Brunswijk travels to Paramaribo for talks with government. Brunswijk is detained by army on drug-smuggling charges 3/26; he is released by order of President Ramsewak Shankar 3/27.

MAR. 24. Brazil's President Collor orders destruction of illegal airstrips built by gold miners in Amazonian state of Roirama, in order to protect Yanomami Indians.

MAR. 25. Colombian Interior Minister Carlos Lemos Simmonds resigns, saying government's war on drug traffickers has weakened. President Barco 3/25 names Sen. Horacio Serpa Uribe to replace Lemos.

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APR. 8. In Peruvian presidential elections, novelist Mario Vargas Llosa of center-right Democratic Front (Fredemo) coalition captures 31% of vote; Alberto Fujimori, leader of center-left Cambio 90 movement, takes 29%; 3 leftist candidates win total of 25%. Runoff election is scheduled for 6/90.

APR. 12. Brazilian National Congress approves by vote of 249–204 most controversial part of President Collor's economic austerity plan, freeze on personal savings accounts; most of rest of plan had already been approved by legislature. Collor 5/9 announces plan to cut 360,000 government jobs by 6/18.

APR. 24. Chilean Supreme Court 4/24 orders military court to reopen investigation of 1976 assassination in Washington, DC, of former Chilean ambassador to US Orlando Letelier; President Aylwin announces formation of national commission to investigate human rights abuses committed under military regime of Gen. Augusto Pinochet Ugarte. Chilean government 5/12 agrees to establish commission to determine how much it will pay US in compensation for Letelier's assassination.

APR. 26. Carlos Pizarro León-Gómez, candidate of leftist April 19 Movement (M-19) for presidency of Colombia, is shot to death aboard airliner. Medellín drug cartel takes responsibility.

MAY 27. César Gaviria Trujillo, candidate of ruling Liberal Party and strong advocate of government war against drug cartels, is elected president of Colombia, capturing 48% of vote; National Salvation Movement candidate Alvaro Gómez Hurtado takes 24%, and former guerrilla leader Antonio Navarro Wolf of Democratic Alliance-April 19th Movement (M-19) receives 13%. Gaviria is sworn in 8/7.

JUNE 10. Alberto Fujimori wins Peruvian presidential runoff, defeating Mario Vargas Llosa by margin of 50%-41%. Fujimori names 11-member cabinet 7/19–26. Fujimori is sworn in 7/28; immediately replaces heads of navy and air force, widely accused of corruption.

JULY 1. Argentine President Menem signs decree selling controlling interest in state-owned national telephone company to Telefónica S.A. of Spain and Bell Atlantic Corp. of US.

AUG. 8. Peruvian President Fujimori announces economic austerity plan, including removal of price subsidies for fuel and food; rioting breaks out in Lima slums 8/9. Labor unions hold general strike 8/21, supported by Shining Path Maoist guerrilla movement.

AUG. 11. Gustavo de Jesús Gaviria, reputedly second-in-command of Colombia's Medellín drug cartel, is killed in shoot-out with police. President César Gaviria 9/5 offers to let drug traffickers avoid extradition to US if they surrender to authorities, confess in court and turn over their property to state.

SEPT. 12. Peruvian President Fujimori declines US offer of $39.5 million to conduct antidrug counter-insurgency, citing longstanding opposition to purely military efforts to combat drug trafficking. Fujimori 10/26 announces plan to use free-market incentives to dissuade farmers from raising coca, used to produce cocaine.

SEPT. 22. Bolivian President Jaime Paz Zamora signs agreement with Indian tribes forbidding lumbering in their rain-forest homelands.

OCT. 5. Brazil's Science and Technology Minister Jose Goldemberg tells *The New York Times* that Brazilian government 9/90 discovered secret military project to develop nuclear weapons; says President Collor 9/18 ordered project closed down.

OCT. 17. Argentine President Menem issues decree limiting right of workers in essential services to strike. Col. Mohammed Ali Seineldin, leader of a 1988 army revolt, 10/20 delivers letter to presidential residence warning of serious discontent in army.

NOV. 10. Colombian Leftist guerrilla groups Colombia Revolutionary Armed Forces and National Liberation Army attack 2 northern towns, Taraza and Caceres; army troops and police turn back assault, leaving 40 dead.

NOV. 20. Lower house of Bolivian Congress votes to impeach 8 members of

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country's 12-member Supreme Court after they rule government beer tax unconstitutional.

Nov. 28. Presidents of Brazil and Argentina meet at Iguaçú Falls on common border; sign agreement renouncing use and development of nuclear weapons; pledge to begin negotiations with International Atomic Energy Agency to allow inspections of their nuclear power facilities.

Dec. 3. Dissident Argentine soldiers demanding appointment of Col. Mohammed Ali Seineldin as armed forces chief of staff seize army headquarters, 2 army barracks and other military sites in Buenos Aires and in suburban Palermo. President Menem declares state of siege; loyalist forces attack rebel-held sites, all of which are recaptured by evening. Death toll in rebellion is 21.

— President Bush begins 6-day visit to South America; arrives in Brasília, meets with President Collor and addresses Brazilian Congress. Bush visits presidents and congresses of Uruguay 12/4; Argentina 12/5, Chile 12/6 and Venezuela 12/7-8.

Dec. 9. Colombia holds election to form constitutional convention; largest share of seats, 24 of 70, goes to governing Liberals; 19 seats are captured by former guerrilla group M-19.

— Colombian army bombs command center of Colombia Revolutionary Armed Forces guerrilla group; troops capture site 12/11; more than 50 guerrillas and soldiers are killed in operation.

Dec. 17. President Gaviria of Colombia issues decree announcing he will refuse extradition to US, and provide special jails, for drug traffickers who voluntarily surrender. A leader of Medellín cartel, Fabio Ochoa Vásquez, turns himself in 12/18.

Dec. 23. Suriname's former military dictator, Lt. Col. Dési Bouterse, resigns as commander of armed forces, charging government does not support army in war against rebel guerrillas. Army troops under military police chief, Comdr. Ivan Graanoogst, stage bloodless coup 12/24; Graanoogst 12/25 pledges to give up power to elected government within 100 days.

Dec. 29. Argentine President Menem pardons imprisoned former military junta leaders Jorge Videla and Roberto Viola, along with 4 other military and police leaders connected with junta. Menem also pardons Mario Firmenich, co-founder of leftist Montoneros guerrilla group.

AFRICA

Jan. 15. South African black nationalist organization African National Congress holds meeting in Lusaka, Zambia. ANC leadership 1/21 releases statement reaffirming readiness to engage in peaceful negotiation with South African government.

Jan. 25-Feb. 1. Pope John Paul II visits African nations of Cape Verde, Guinea Bissau, Mali, Burkina Faso and Chad.

Feb. 2. In speech opening South African Parliament, President F. W. de Klerk of South Africa announces legalization of ANC, South African Communist Party and Pan-Africanist Congress, and lifting of restrictions on many other black nationalist groups and individuals. De Klerk also promises that jailed ANC leader Nelson Mandela will be freed.

Feb. 11. Nelson Mandela is released after 27 years of imprisonment; he gives public address in Cape Town supporting armed struggle and calling for stepped-up pressure on South African regime. ANC announces 2/16 it will send delegation "as soon as possible" to begin talks with de Klerk.

Feb. 16. Body of Kenyan Foreign Minister Robert Ouko is discovered in rural western Kenya. Student demonstrators in Nairobi 2/21–22 demand President Daniel arap Moi's resignation, charging complicity in Ouko's death. Riot police 2/23 clash with marchers, many from Ouko's Luo tribe.

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FEB. 20. Great Britain announces unilateral lifting of ban on new investments in South Africa, despite protests from other members of European Community.

FEB. 21. Three members of Lesotho's ruling 6-man military council are arrested for plotting against leadership of Maj. Gen. Justin Lekhanya. Two arrested council members are relatives of Lesotho's powerless King Moshoeshoe, whose palace is surrounded by troops.

FEB. 23. Students in Abidjan, Ivory Coast, hold peaceful protest against government austerity measures. Protesters end demonstration 2/24; are beaten and detained by police. Students and striking civil service workers stage 3/2 march through Abidjan, demanding resignation of President Félix Houphouët-Boigny; march is violently broken up by police.

FEB. 24. *The New York Times* reports that 70,000 refugees from eastern Liberia have fled to Ivory Coast after fighting between Gio and Mano tribal guerrillas led by Charles Taylor and forces supporting President Doe, drawn from Krahn tribe, that has left at least 500 civilians dead.

FEB. 27. Nelson Mandela visits Lusaka for talks with ANC leadership. Mandela 2/27 expresses support for Palestine Liberation Organization (PLO); 2/28 calls for international community to continue sanctions against South Africa until UN decides to lift them. Six US congressmen meet with Mandela in Lusaka 3/1.

MAR. 2. Executive Committee of ANC, meeting in Lusaka, names Nelson Mandela deputy president, making him effective leader, as ANC President Oliver Tambo was disabled by stroke in 1989.

MAR. 4. Black nationalist military officers overthrow President Lennox Sebe of South African "homeland" Ciskei; Brig. Joshua Oupa Gqozo assumes power. South African troops are sent into Ciskei 3/5 to control looting and rioting. ANC supporters protest 3/6 in other homelands. Homeland police open fire 3/7 on crowd of 50,000 demonstrators in Bophuthatswana, killing at least 7.

MAR. 6. ABC News reports that Libya began producing poisonous mustard gas at factory near Tripoli in late 1989. White House confirms information 3/7. Libyan factory is reported to be on fire 3/14; President Bush denies any American role. Libyan and US officials 3/15 state that plant is extensively damaged by fire and will be out of operation indefinitely.

MAR. 16. South African President de Klerk announces that talks will open 4/11 between government and ANC. Police open fire 3/26 on anti-apartheid protesters in black township of Sebokeng near Johannesburg, killing at least 11; ANC announces postponement of planned talks. At least 25 are killed 3/27–28 in strife between ANC-backed United Democratic Front and Zulu organization Inkatha in eastern Natal province. De Klerk meets with ANC leader Nelson Mandela 4/5; they agree to set talks for unspecified date.

MAR. 21. Namibia gains independence, ending 75 years of South African control. UN Secretary General Javier Pérez de Cuéllar swears in Sam Nujoma as president. After attending independence ceremony, US Secretary of State James A. Baker flies to Cape Town 3/22, meets with South African President de Klerk.

MAR 27. Gabon's President Omar Bongo, reacting to prodemocracy strikes and protests, assembles conference on democratic reforms in capital, Libreville. Bongo 5/3 installs transition government to prepare for national elections. Joseph Rendjambe, head of opposition Gabonese Progress Party, is found dead 5/23 in Libreville; riots break out in Libreville and Port Gentil. France 5/24 sends 500 troops to reinforce 500 already stationed there, and by 5/26 airlifts 1,800 people out of country. Government reestablishes order 5/31.

MAR. 28–29. In Zimbabwean national elections, President Robert Mugabe and governing Zimbabwe African National Union-Patriotic Front win landslide victory; ZANU-PF captures 78% of vote; rival Zimbabwe Unity Movement takes 16%. Mugabe 4/1 calls results "mandate to create a 1-party state."

APR. 5. President Frank Ravele of South African tribal "homeland" of Venda is overthrown in coup led by deputy defense chief Col. Gabriel Ramushwana.

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APR. 14. ANC leader Nelson Mandela admits that ANC in past tortured dissident ANC members, but says steps were taken to prevent recurrence. Mandela 4/15 arrives in Britain for 2-day visit including meeting with Prime Minister Margaret Thatcher.

APR. 18. South African President de Klerk, in speech to Parliament, rules out concept of "one man, one vote," saying it would lead to black domination; advocates "full participation" of blacks in electoral politics, but says majority domination will be prevented through constitutional checks.

APR. 20. Thousands of marchers from opposition Islamic Salvation Front in Algiers, Algeria, demand parliamentary elections and formation of Islamic republic. Four secular opposition parties 5/10 stage march in Algiers calling for democracy, denouncing Islamic fundamentalism.

APR. 22. Dissident military officers mount coup attempt in Lagos, Nigeria; at least 4 and as many as 30 people are killed in fighting at main army barracks in Lagos, but President Ibrahim Babangida escapes unharmed.

APR. 23. Coup attempt led by military officers fails in Sudan; government of Lt. Gen. Omar Hassan Ahmed al-Bashir announces 4/24 that 28 rebels have been executed.

APR. 24. Zaïre's President Mobutu Sese Seko announces that he will end 1-party rule, step down from involvement in daily government (while remaining head of state) and form interim government to serve until new constitution is approved and elections are held. Mobutu 4/25 names Lunda Bululu to replace Kengo wa Dondo as premier. Government security forces break up rally by opposition Union for Democracy and Social Progress 4/30, killing at least 2 and wounding dozens.

APR. 25. US advises Americans in Liberia to leave because of mounting violence between government and rebels. Defense Department 5/31 orders 6-ship amphibious task force including over 2,000 marines to sail to Liberia to evacuate Americans if necessary; task force arrives off Liberia 6/4.

MAY 2. Formal talks open in Cape Town between ANC and South African government. In joint statement released 5/4, negotiators agree to establish working group to present proposals for release of political prisoners and granting of immunity to exiles. Government also agrees to review security laws and move toward lifting state of emergency.

MAY 3. President Houphouët-Boigny of Ivory Coast approves legalization of opposition parties. About 1,000 army conscripts demanding higher pay seize control of Abidjan airport and national television and radio stations 5/16; paramilitary troops restore order. Government 5/31 approves nine opposition parties.

MAY 13. Armed dissidents seize control of radio station in Antananarivo, Madagascar, demanding replacement of President Didier Ratsiraka by opposition leader, retired Gen. Jean Rakotoharison. Security forces quickly recapture radio station, killing 3 dissidents and capturing rest.

JUNE 5. Ethiopian government announces willingness to allow rebel-held port of Massawa to be used to deliver food relief for famine victims in rebellious provinces of Eritrea and Tigre.

JUNE 7. South African President de Klerk announces he is lifting 4-year-old nationwide state of emergency decree in all provinces except Natal, site of strife between rival black organizations. De Klerk releases 48 political prisoners 6/9.

JUNE 9. Nelson Mandela begins world tour; meets with US Jewish leaders in Geneva, says his support of PLO does not mean he is anti-Israel; visits West Germany 6/12, European Parliament in Strasbourg 6/13, Italy and Vatican 6/15, Netherlands 6/16 and Canada 6/18; arrives in New York 6/20 for 11-day visit to US, refuses to criticize leaders of PLO, Cuba or Libya; visits President Bush in White House 6/25, delivers address before joint session of Congress 6/26; travels 7/2–4 to Ireland and Britain, where he meets with Prime Minister Thatcher; visits Uganda, Ethiopia, Kenya and Mozambique before returning to South Africa 7/18.

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JUNE 10. Tunisia holds local elections; all opposition parties boycott vote, resulting in 99% victory for ruling Democratic Constitutional Rally.

JUNE 12. First free, multiparty provincial and municipal elections in Algeria are held; opposition fundamentalist Islamic Salvation Front captures control of 32 provincial councils from ruling National Liberation Front, which retains only 14; fundamentalists win control of 853 municipal councils, compared to FLN's 487.

JUNE 16. Kenyan President Moi announces that public "debate" on multiparty democracy allowed since 2/90 is ended, and that Kenyans unanimously back single-party state. Opposition leaders Kenneth Matiba and Charles Rubia are arrested 7/4; 9 other opposition politicians are arrested 7/5. Antigovernment rioting 7/7–11 results in 20 deaths.

JUNE 19. Zambian government more than doubles price of cornmeal. Protest riots break out in Lusaka 6/25–28; at least 23 people are killed, most shot by security forces.

JULY 2. Liberian National Patriotic Front (NPF) rebels lay siege to capital, Monrovia. NPF 7/6 is reported to split into 2 factions, one led by Charles Taylor, another by Prince Yormie Johnson. Government troops 7/30 attack Lutheran church in Monrovia and kill as many as 600 Gio and Mano tribal refugees. Johnson 8/4 announces that, to arouse outside interest in Liberian situation, he will begin taking foreigners hostage; US authorizes rescue mission. 230 US Marines fly into Monrovia 8/5, evacuate US embassy; Johnson's forces capture 22 foreigners 8/6, and release them unharmed 8/7. By 8/8 Marines have rescued at least 125 people.

JULY 22. Intertribal fighting breaks out near Johannesburg; 24 are killed in clash in Sebokeng township between Zulu supporters of Inkatha and largely Xhosa members of ANC-allied Vaal Civic Association. Zulu-Xhosa violence in several townships 8/12–15 results in over 140 deaths. South African Law and Order Minister Adriaan Vlok 8/24 announces 3-month limited state of emergency in black townships around Johannesburg. At least 26 black commuters are killed and more than 100 wounded 9/13 when unidentified hoodlums shoot and stab passengers on train from Johannesburg to Soweto.

AUG. 6. Second round of talks between ANC and South African government are held in Pretoria; ANC 8/7 announces immediate ceasefire in armed struggle; government pledges to release political prisoners beginning 9/1, and to allow political exiles to return to South Africa beginning 10/1. National Party 8/31 announces intention to open membership to all races.

— Economic Community of West African States, meeting in Gambia, agrees to send peacekeeping force to Liberia. Multilateral peacekeeping force numbering 3,000 arrives in Liberia 8/24; force captures large sections of capital 8/25–9/2. Liberian President Doe is captured 9/6 by rebel forces led by Prince Johnson; 78 persons are killed, mostly Doe's bodyguards. Doe is killed by rebels 9/7. Rival rebel leader Charles Taylor declares unilateral ceasefire 9/21.

AUG. 17. Former President Julius Nyerere resigns as head of Tanzania's sole political party; is replaced by President Ali Hassan Mwinyi.

SEPT. 10. Pope John Paul II blesses largest Christian church in world, new Basilica of Our Lady of Peace in Yamoussoukro, Ivory Coast.

SEPT. 23. South African President de Klerk visits US; meets with President Bush at White House 9/24; meets with members of Congress 9/25.

SEPT. 30. Refugee Rwandan Tutsi tribesmen invade Rwanda from Uganda, attempt to overthrow government controlled by majority Hutu tribe. Uganda condemns invasion 10/2. Rwandan President Juvénal Habyarimana 10/3 requests aid from Belgium; Belgium announces 10/4 it will send 500 paratroopers to protect Belgian citizens; France says it will send 150 paratroopers to protect its citizens. Government declares state of emergency 10/8. Habyarimana, meeting 10/18 with President François Mitterrand in Paris, announces he will allow neutral troops to monitor ceasefire and agrees to allow return of Rwandan exiles.

OCT. 28. Ivory Coast President Houphouët-Boigny captures 81% of vote in

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country's first contested presidential election; his Democratic Party wins 163 seats in 175-seat parliament; opposition candidate Laurent Gbagbo charges electoral fraud.

Nov. 10. Rebel forces under command of renegade Gen. Idriss Deby begin campaign against government of Chadian President Hissene Habré. Rebels, reportedly supplied by Libya, capture Abéché in eastern Chad 11/29. Habré 12/1 flees to Cameroon; France evacuates 1,200 French nationals and others. Deby captures capital, N'Djamena, 12/2; suspends parliament 12/3; declares himself president 12/4 and promises multiparty democracy. US 12/6 begin airlift of several hundred Libyan dissidents from Chad to Nigeria.

Nov. 26. Main factions in Liberian civil war meet in Bamako, Mali. Ceasefire agreement is signed 11/28 by Charles Taylor, Prince Johnson and Maj. Wilmott Diggs, representing forces of slain President Doe.

Dec. 3. Fighting between Zulus and Xhosas in Thokoza township near Johannesburg claims 52 lives. Nelson Mandela and Inkatha leader Cheif Mangosuthu Gatsha Buthelezi separately visit Thokoza 12/12, after week of fighting in which at least 124 died.

Dec. 13. ANC President Oliver Tambo returns to South Africa after 31 years in exile. Tambo 12/14 advises reconsideration of international sanctions against South Africa. ANC delegates to consultative conference in Johannesburg vote 12/15 to appeal that sanctions be maintained; conference votes 12/16 to consider suspending negotiations unless repressive security laws are repealed, all political prisoners are freed and all exiles allowed to return by 4/91.

Dec. 14. Jonas Savimbi, leader of Union for Total Independence of Angola rebel group, announces that, after series of meetings in Washington, DC, with Soviet Foreign Minister Eduard Shevardnadze, UNITA has reached tentative agreement with Angolan government on plan to end civil war.

Dec. 15–16. Crowds riot in Fez, Morocco, demanding doubling of minimum wage; at least 33 are killed. Prime Minister Azeddine Laraki 12/17 promises unspecified increases in salaries and social benefits.

Dec. 17. President Kenneth Kaunda of Zambia signs constitutional amendments legalizing opposition political parties.

Dec. 30. Fighting breaks out in Somali capital, Mogadishu, between forces loyal to President Siad Barre and rebel United Somali Congress.

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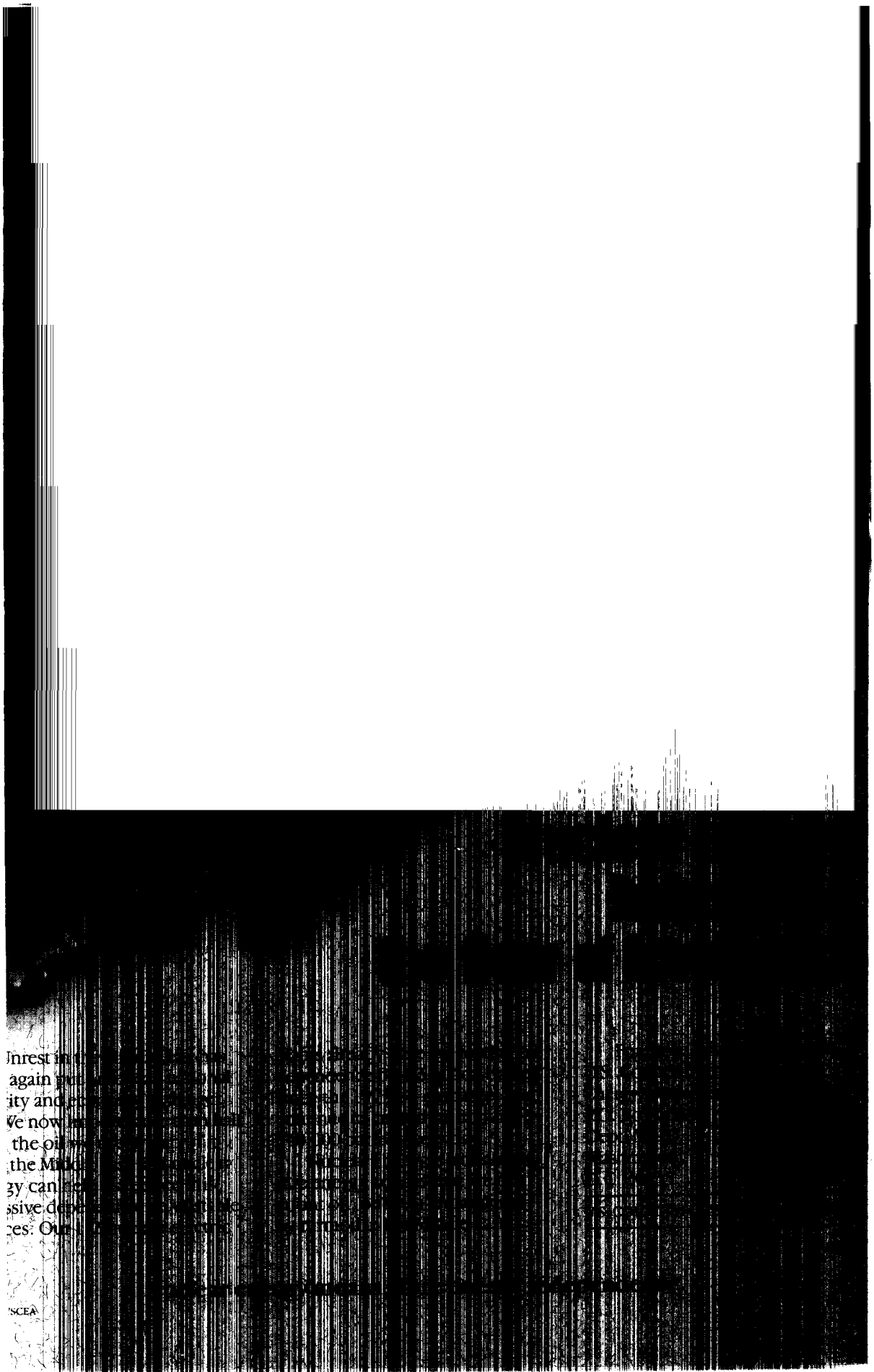

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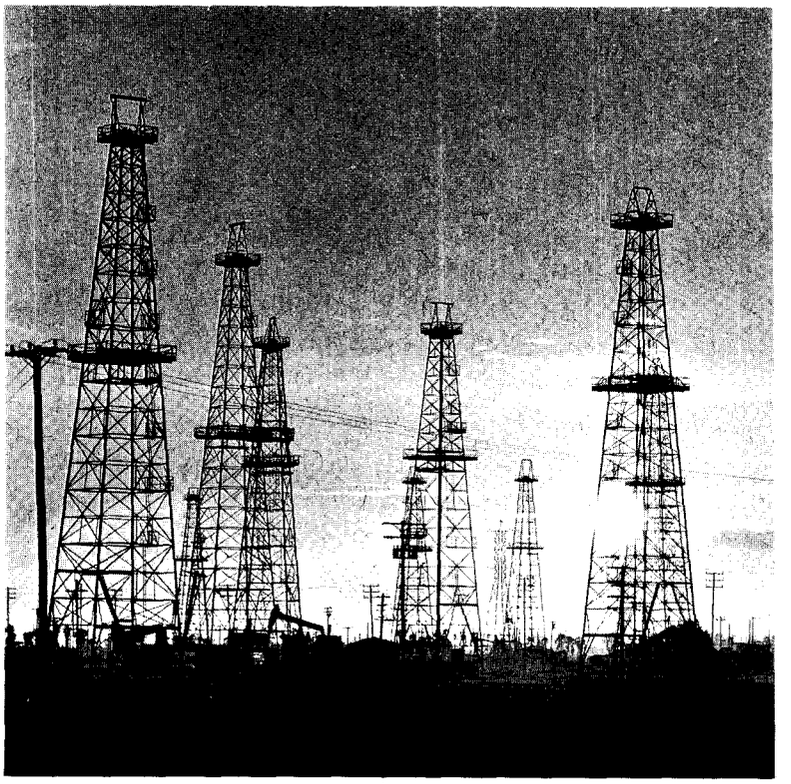

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